

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39662; File No. SR-OCC-97-15]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Relating to Contrary Exercise Intentions

February 13, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 16, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change will require all OCC members to adhere to exchange rules regarding contrary exercise intentions.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory basis for, the Proposed Rule Change

Pursuant to a request made by OCC's participant exchanges, OCC proposes to adopt a rule to require clearing members to comply with the uniform exchange rules relating to contrary exercise advices. Under OCC's by-laws, an "exchange" is defined as "a national securities exchange or a national securities association which has qualified for participation in the

Corporation pursuant to the provisions of Article VII of the by-laws."³

The rules of all OCC participant exchanges require exchange members to advise their exchange if the member has determined to act contrary to OCC's exercise-by-exception ("ex-by-ex") processing procedures for listed equity options.⁴ The exchanges require that "contrary exercise advices" be submitted by 4:30 p.m. Central Standard Time on the business day before expiration Saturday. OCC clearing members are permitted to submit such advices using OCC's clearing member on-line interface system, C/MACS. OCC understands that the exchanges use contrary exercise advice information as part of their surveillance programs to assess whether the decision to act contrary to OCC's ex-by-ex processing procedures was made on news released after the uniform cutoff time.

Because not all OCC clearing members are members of a participant exchange and therefore are not subject to the rules of any participant exchange, OCC's participant exchanges have asked OCC to adopt a rule that would require those clearing members to submit contrary exercise advices in accordance with the procedures specified in the exchange rules. Participant exchanges believe that requiring these clearing members to submit contrary advice information will ensure that there is a "level playing field" among OCC's clearing members with respect to the exercise of expiring options and will enhance the exchanges' market surveillance programs by creating a mechanism for identifying additional instances in which participants in their markets may have unjustly benefitted by acting on late breaking news.

Accordingly, OCC proposes to adopt a rule requiring all clearing members to follow the exchanges procedures relating to contrary exercise advices to ensure uniform application. The proposed rule will also provide that failure to follow the exchanges procedures could subject a clearing member to discipline by the exchanges listing the option which was exercised

or was not exercised in contravention of the provisions of OCC's Rule 805. OCC believes that each exchange is the appropriate organization to determine whether its rule relating to contrary exercise advices has been violated and what disciplinary sanctions, if any, should be imposed as a result thereof.

The proposed rule change is consistent with Section 17A of the Act⁵ and the rules and regulations thereunder because it furthers the public interest and protection of investors by imposing a requirement that will foster the maintenance of fair competition among OCC's clearing members.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No comments on the proposed rule change were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer periods (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve the proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the

³ OCC's by-laws, Article 1, Section 1.

⁴ OCC's ex-by-ex processing procedures have been developed solely for the administrative convenience of OCC's clearing members. Ex-by-ex procedures presume that a clearing member desires to exercise all options that are in-the-money by a specified threshold. Accordingly, all options subject to ex-by-ex processing are identified as being in-the-money, at-the-money, or out-of-the-money in a report provided to clearing members. That report reflects that the clearing member instructs OCC to exercise all options that are in-the-money by the stated threshold amount. However, the clearing member is able to issue contrary instructions directing OCC to act otherwise.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by OCC.

⁵ 15 U.S.C. 78q-1.

Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-97-15 and should be submitted by March 13, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-4341 Filed 2-19-98; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities; Submissions for OMB Review

This notice lists information collection packages that have been sent to the Office of Management and Budget (OMB) for clearance, in compliance with Pub. L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995.

1. Disability Report—0960-0141. The information collected on Form SSA-3368-BK is needed for the determination of disability by the State Disability Determination Services (DDS). This version of the form will be used in those Social Security Administration (SSA) offices and State DDS offices that are piloting SSA's Reengineered Disability System. The information will be used to develop medical evidence and to assess the alleged disability. The respondents are applicants for disability benefits.

Number of Respondents: 36,500.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.

Estimated Annual Burden: 18,250 hours.

2. Request for Earnings and Benefit Estimate Statement—0960-0466. Form SSA-7004 is used by members of the public to request information about their Social Security earnings records and to get an estimate of their potential benefits. SSA provides information, in

response to the request, from the individual's personal Social Security record. The respondents are Social Security numberholders who have covered earnings on record.

Number of Respondents: 3,350,000.

Frequency of Response: 1.

Average Burden Per Response: 5 minutes.

Estimated Average Burden: 279,167 hours.

Written comments and recommendations regarding the information collection(s) should be directed within 30 days to the OMB Desk Officer and SSA Reports Clearance Officer at the following addresses: (OMB) Office of Management and Budget, OIRA, Attn: Laura Oliven, New Executive Office Building, Room 10230, 725 17th St., NW., Washington, D.C. 20503. (SSA) Social Security Administration, DCFAM, Attn: Nicholas E. Tagliareni, 1-A-21 Operations Bldg., 6401 Security Blvd., Baltimore, MD 21235.

To receive a copy of any of the forms or clearance packages, call the SSA Reports Clearance Officer on (410) 965-4125 or write to him at the address listed above.

Dated: February 12, 1998.

Nicholas E. Tagliareni,

Reports Clearance Officer, Social Security Administration.

[FR Doc. 98-4159 Filed 2-19-98; 8:45 am]

BILLING CODE 4190-29-P

STATE JUSTICE INSTITUTE

Sunshine Act Meeting; Notice of Public Meeting

Date and Time: Friday, February 27, 1998—9:00 a.m.—5:00 p.m.

Place: State Justice Institute, 1650 King Street, Suite 600, Alexandria, VA 22314.

Matters To Be Considered: FY 1998 grant requests, internal Institute business matters.

Portions Open To The Public: All matters other than those noted as closed below.

Portions Closed To The Public: Internal personnel matters and Board of Directors' committee meetings.

Contact Person For More Information: David I. Tevelin, Executive Director, State Justice Institute, 1650 King Street, Suite 600, Alexandria, VA 22314, (703) 684-6100.

David I. Tevelin,

Executive Director.

[FR Doc. 98-4398 Filed 2-17-98; 4:12 pm]

BILLING CODE 6820-SC-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Meeting of the Advisory Committee for Trade Policy and Negotiations

AGENCY: Office of the United States Trade Representative.

ACTION: Notice that the March 26, 1998, meeting of the Advisory Committee for Trade Policy and Negotiations will be held from 10:00 a.m. to 2:00 p.m. The meeting will be closed to the public from 10:00 a.m. to 1:30 p.m. and open to the public from 1:30 p.m. to 2:00 p.m.

SUMMARY: The Advisory Committee for Trade Policy and Negotiations will hold a meeting on March 26, 1998 from 10:00 a.m. to 2:00 p.m. The meeting will be closed to the public from 10:00 a.m. to 1:30 p.m. The meeting will include a review and discussion of current issues which influence U.S. trade policy. Pursuant to Section 2155(f)(2) of Title 19 of the United States Code, I have determined that this meeting will be concerned with matters the disclosure of which would seriously comprise the development by the United States Government of trade policy, priorities, negotiating objectives or bargaining positions with respect to the operation of any trade agreement and other matters arising in connection with the development, implementation and administration of the trade policy of the United States. The meeting will be open to the public and press from 1:30 p.m. to 2:00 p.m. when trade policy issues will be discussed. Attendance during this part of the meeting is for observation only. Individuals who are not members of the committee will not be invited to comment.

DATES: The meeting is scheduled for March 26, 1998, unless otherwise notified.

ADDRESSES: The meeting will be held at the Mayflower Hotel in the Chinese Room, located at 1127 Connecticut Avenue, NW, Washington, D.C., unless otherwise notified.

FOR FURTHER INFORMATION CONTACT: Bill Daley, Office of the United States Trade Representative, (202) 395-6120.

Charlene Barshefsky,

United States Trade Representative.

[FR Doc. 98-4322 Filed 2-19-98; 8:45 am]

BILLING CODE 3190-01-M

⁶ 17 CFR 200.30-3(a)(12).