

split" of the Index. The change will be instituted after Commission approval of this proposed rule change. This change will result in a doubling of the OEX contracts outstanding, such that for each OEX contract held, the holder will receive two contracts at the reduced value, with a strike price of one-half of the original strike price. For instance, the holder of an OEX 930 call will receive two OEX 465 calls. The trading symbol will remain as OEX (plus any necessary wrap symbols).

In addition to the strike price being reduced by one-half, the CBOE proposes to double the position and exercise limits applicable to the OEX from 25,000 to 50,000.⁴ The Exchange believes this increase in the position and exercise limits is justified because the reduction in the divisor would result in each contract overlying only one-half of the value of a current OEX contract. Consequently, the revised position and exercise limits would be equivalent to the current levels in terms of the value of the Index.

The CBOE will announce the effective date of the change by way of an Exchange circular to the membership, which will also describe the change to the strike prices and the position and exercise limits.

The Exchange expects the proposed changes to attract additional customer business in OEX in those series in which retail customers are most interested in trading. For example, a September 930 (at the money) call option series currently trades at approximately \$2600 per contract. With the Index split, the same option series (once adjusted), with all else remaining equal, would trade at approximately \$1300 per contract. The Exchange believes the proposed change will permit some investors to trade these options who have otherwise been priced out of the market due to the recent market surge. The Exchange believes that OEX options provide an important opportunity for investors to hedge and speculate upon the market risk associated with the stocks comprising this broad-based widely followed Index. By reducing the value of the Index, investors will be able to utilize this trading vehicle, while extending a smaller outlay of capital. The Exchange believes this should attract additional

investors, and, in turn, create a more active and liquid trading environment.

The Exchange believes that reducing the value of the Index does not raise manipulation concerns and will not cause adverse market impact because the Exchange will continue to employ the same surveillance procedures and has proposed an orderly procedure to achieve the Index split, including adequate prior notice to market participants.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act,⁵ in that it is designed to perfect the mechanisms of a free and open market and to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The CBOE does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 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 such 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 25049. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule

change that are filed with the 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. 25049. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-97-48 and should be submitted by October 31, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-26901 Filed 10-9-97; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39201; File No. SR-OCC-97-09]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Seeking To Amend the Valuation Rate Applied to Equity Securities and Corporate Debt Deposited as Margin Collateral

October 3, 1997.

On May 21, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-97-09) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on August 18, 1997.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

OCC currently operates a program to accept deposits of equity securities and corporate debt as margin collateral ("valued securities program") under its rule 604(d).³ The proposed rule change

⁴ The Exchange has separately filed for an increase in the position and exercise limits for OEX in SR-CBOE-97-11 (noticed in Securities Exchange Act Release No. 38525 (April 18, 1997), 62 FR 20046 (April 24, 1997)). In the event that SR-CBOE-97-11 is approved by the Commission prior to this filing, the Exchange would seek a doubling of those higher limits.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 38923 (August 11, 1997), 62 FR 44025.

³ For a detailed description of the valued securities program, refer to Securities Exchange Act

amends OCC Rule 604(d)(1) to increase the valuation rate that OCC applies to equity and corporate debt securities deposited with OCC under the valued securities program from 60 percent to 70 percent.

OCC Rule 604(d) permits OCC's clearing members to deposit as margin collateral common and preferred stock and corporate bonds which meet certain standards. Common and preferred stock must have a market value of greater than \$10 per share and must either be (i) traded on a national securities exchange and have last sale reports collected and disseminated pursuant to a consolidated transaction reporting plan or (ii) traded in the over-the-counter market and designated as National Market System Securities pursuant to Commission Rule 11Aa2-1.⁴ Corporate bonds must (i) be listed on a national securities exchange and not be in default, (ii) have a current market value that is readily determinable on a daily basis, and (iii) be rated in one of the four highest rating categories by a nationally recognized statistical rating organization.⁵

II. Discussion

Section 17A(b)(3)(F) of the Act⁶ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in its custody or control or for which it is responsible. The Commission believes that the effective functioning of the valued securities program since its inception in 1985 and OCC's various financial safeguards and risk monitoring systems, taken as a whole,⁷ suggest that an increase from 60 percent to 70 percent in the valuation rate for debt and equity securities deposited as margin collateral should not detract from OCC's ability to safeguard funds and securities in its custody or control or for which it is responsible.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the

Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-97-09) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-26902 Filed 10-9-97; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice No. 2611]

Shipping Coordinating Committee; Subcommittee on Ocean Dumping; Notice of Meeting

The Subcommittee on Ocean Dumping of the Shipping Coordinating Committee will hold an open meeting on October 21, 1997 from 1:30 pm to 3:30 pm to obtain public comment on the issues to be addressed at the October 27-31, 1997 Nineteenth Consultative Meeting of the Contracting Parties to the London Convention, which is the global international treaty regulating ocean dumping. The meeting will also review the results of the Twentieth Scientific Group Meeting of the London Convention held in May 1997.

The meeting will be held at Environmental Protection Agency offices located at the Fairchild Building, 499 South Capitol Street SW, Washington, DC 20003, Room 709. Interested members of the public are invited to attend, up to the capacity of the room.

For further information, please contact Mr. John Lishman, Chief, Marine Pollution Control Branch, telephone (202) 260-1952.

Dated: September 25, 1997.

Russell A. LaMantia,

Chairman, Shipping Coordinating Committee.

[FR Doc. 97-26970 Filed 10-9-97; 8:45 am]

BILLING CODE 4710-07-M

TENNESSEE VALLEY AUTHORITY

Privacy Act of 1974; System of Records

AGENCY: Tennessee Valley Authority.

ACTION: Amendment of systems of records to include new categories of individuals and new routine uses.

SUMMARY: In accordance with the Privacy Act (5 U.S.C. 552a(e)(4)), the Tennessee Valley Authority (TVA) is issuing notice of our intent to amend the systems of records entitled TVA-2 "Personnel Files—TVA" and TVA-11 "Payroll Records—TVA" to include new categories of individuals for TVA-2 and new routine uses for TVA-2 and TVA-11. We invite public comment on this publication.

EFFECTIVE DATE: The changes will become effective as proposed, on November 10, 1997, unless comments which would warrant our preventing the changes from taking effect are received on or before 30 days from the date of this notice.

ADDRESSES: Interested individuals may comment on this publication by writing to Wilma H. McCauley, Privacy Act Officer, Tennessee Valley Authority, 1101 Market Street (WR 4Q), Chattanooga, Tennessee 37402-2801. All comments received will be available for public inspection at that address.

FOR FURTHER INFORMATION CONTACT: Wilma H. McCauley, (423) 751-2523.

SUPPLEMENTARY INFORMATION:

Discussion of Proposed Additions to Routine Use

Pursuant to the Pub. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, TVA will disclose data from its Personnel Files and Payroll Records to the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services for use in its Federal Parent Locator System (FPLS) and Federal Tax Offset System, DHHS/OCSE No. 09-90-0074. Information on this system was last published at 61 FR 38754, July 25, 1996.

FPLS is a computerized network through which States may request location information from Federal and State agencies to find non-custodial parents and/or their employers for purposes of establishing paternity and securing support.

Effective October 1, 1997, the FPLS will be enlarged to include the National Directory of New Hires, a database containing information on employees commencing employment, quarterly wage data on private and public sector employees, and information on unemployment compensation benefits. Effective October 1, 1998, the FPLS will be expanded to include a Federal Case Registry. The Federal Case Registry will contain abstracts on all participants involved in child support enforcement cases. When the Federal Case Registry is instituted, its files will be matched on

Release Nos. 33893 (April 14, 1994), 59 FR 18427 [File No. SR-OCC-92-13] (order granting accelerated approval to proposed rule change) and 31169 (September 10, 1992), 57 FR 43041 [File No. SR-OCC-92-13] (notice of filing of proposed rule change).

⁴ 17 CFR 240.11Aa2-1.

⁵ An issue that is suspended from trading in its primary market, or subject to special margin requirements under the rules of its primary market because of volatility, lack of liquidity or similar characteristics may not be deposited with OCC. OCC Rule 604(d)(1).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ OCC financial safeguards include, for example, the valued securities program's eligibility standards for equity and corporate debt securities and OCC's authority to collect intraday margin calls as needed.

²⁸ 7 CFR 200.30-3(a)(12).