whether or in what amount it will be entitled to receive funds from a cross-guarantee party or when it will receive such funds, with respect to the clearing member, OCC may, in its discretion, make a charge against other clearing members' contributions to the stock clearing fund and/or the non-equity securities clearing fund. New interpretation .04 states explicitly that if OCC determines that it is likely to receive funds from a cross-guarantee party with respect to the clearing member, OCC may in anticipation of receipt of the funds from the cross-guarantee party, forego making a charge, or make a reduced charge against other clearing members' contributions to the stock clearing fund and/or the non-equity securities clearing fund. If OCC does not receive the anticipated funds or receives funds in a smaller amount than anticipated, OCC may make a charge or an additional charge against other clearing members' contributions to the stock clearing fund and/or the non-equity securities clearing fund. New interpretation .05 states explicitly that if OCC were ever to be required to refund funds which it had received from a cross-guarantee party back to the cross-guarantee party, OCC could make a charge or an additional charge against other clearing members' contributions to the stock clearing fund and/or the non-equity securities clearing fund to make itself whole. The charge would be based on the other clearing members' computed contributions as fixed at the time of the refund and not at the time of the suspension of the clearing member.

OCC also will add new paragraph (d) to its Rule 1104 to state explicitly that OCC may use any positive balance remaining in a clearing member's liquidating settlement account to satisfy any obligation with respect to that clearing member which OCC may have to any other clearing agency pursuant to a limited cross-guarantee agreement. The new paragraph is needed to assure that OCC's use of the assets of a clearing member in this manner is authorized by OCC's rules because Rule 1104(a) states that funds of a suspended clearing member subject to OCC's control shall be placed in the clearing member's liquidating settlement account and used ''for the purposes hereinafter specified.''

II. Discussion

Seciton 17A(b)(3)(F) of the Act[4] requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible and to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The Commission believes the rule change is consistent with OCC's obligation to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible because cross-guarantee agreements among clearing agencies are a method of reducing clearing agencies' risk of loss due to a common member's default. Furthermore, the Commission has encouraged the use of cross-guarantee agreements and other similar arrangements among clearing agencies.[5] Consequently, cross-guarantee agreements should assist clearing agencies in assuring the safeguarding of securities and funds in their custody or control.

The Commission also believes the rule change is consistent with OCC's obligation to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The Commission believes that by entering into such cross-guarantee agreements, clearing agencies can mitigate the systemic risks posed to an individual clearing corporation and to the national clearance and settlement system arising from the default of a common member.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular 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–96–18) be and hereby is approved.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 97–7341 Filed 3–21–97; 8:45 am]

BILLING CODE 8010–01–M

[4] 15 U.S.C. 78q–1(b)(3)(F).

[5] Securities Exchange Act Release Nos. 36431 (October 27, 1995), 60 FR 55749 [File No. SR–GSCC–95–03] and 36597 (December 15, 1995), 60 FR 66570 [File No. SR–MBSCC–95–05] (orders approving proposed rule changes authorizing the release of clearing data relating to participants).

[6] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF STATE

Office of Defense Trade Controls

[Public Notice 2521]

Statutory Debarment Under the International Traffic in Arms Regulations

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State has imposed statutory debarment pursuant to Section 127.7(c) of the International Traffic in Arms Regulations (22 CFR Parts 120–130) (ITAR) for all export license applications and other requests for approval involving the Armaments Corporation of South Africa, Ltd. (Armscor); Kentron (Pty) Ltd. (Kentron); the Denel Group (Pty) Ltd. (Denel); and, any divisions, subsidiaries, associated companies, affiliated persons, and successor entities.

EFFECTIVE DATE: February 27, 1997.

FOR FURTHER INFORMATION CONTACT: Philip S. Rhoads, Chief, Compliance and Enforcement Branch, Office of Defense Trade Controls, Department of State (703–875–6644).

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the Arms Export Control Act (22 U.S.C. 2778) (AECA) prohibits licenses and other requests for approval for the export of defense articles and the furnishing of defense services to be issued to a person, or any party to the export, convicted of violating or conspiring to violate the AECA. This notice is provided in order to make the public aware that the following entities are prohibited from participating directly or indirectly in the export from the United States of defense articles, related technical data, or defense services for which a license or other approval is required from the Department of State under the AECA:

1. The Armaments Corporation of South Africa, Ltd., (Armscor), Private Bag X337, 0001 Pretoria, South Africa
2. The Denel Group (Pty) Ltd. (Denel), P.O. Box 8322, 0046 Hennopsmeer, South Africa
3. Kentron (Pty) Ltd., P.O. Box 7412, 0046 Hennopsmeer, South Africa.

Effective June 8, 1994, the Department of State implemented a policy of denial pursuant to Sections 38 and 42 of the AECA and Sections 126.7(a) (1) and (a)(2) of the ITAR for Armscor, Denel, Kentron, and, any divisions, subsidiaries, associated companies, affiliated persons, and successor entities in response to an indictment returned in the U.S. District Court for the Eastern

District of Pennsylvania charging Armscor and Kentron with violating and conspiring to violate the AECA. Denel, which is related to Armscor, was included in the policy of denial (see 59 FR 33811, June 30, 1994).

Armscor and Kentron have entered pleas of nolo contendere to charges of violating the AECA. Pursuant to the Agreement between the Government of the United States and the Government of the Republic of South Africa concerning cooperation of defense trade controls, Armscor, Denel, and Kentron will be subject to statutory debarment until further notice.

This notice involves a foreign affairs function of the United States encompassed within the meaning of the military and foreign affairs exclusion of the Administrative Procedure Act. Because the exercise of this foreign affairs function is discretionary, it is excluded from review under the Administrative Procedure Act.

Dated: March 12, 1997.

William J. Lowell,

Director, Office of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State.

[FR Doc. 97–7272 Filed 3–21–97; 8:45 am]

BILLING CODE 4710–25–M

[Public Notice 2522]

Office of Defense Trade Controls; Statutory Debarment Under the International Traffic in Arms Regulations

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State's policy of denial for all export license applications and other requests for approval involving Fuchs Electronics (Pty) Ltd. (Fuchs), and, any divisions, subsidiaries, associated companies, affiliated persons, and successor entities, is rescinded, and is replaced by statutory debarment pursuant to Section 127.7(c) of the International Traffic in Arms Regulations (22 CFR Parts 120–130) (ITAR).

EFFECTIVE DATE: February 27, 1997.

FOR FURTHER INFORMATION CONTACT: Philip S. Rhoads, Chief, Compliance and Enforcement Branch, Office of Defense Trade Controls, Department of State (703–875–6644).

SUPPLEMENTARY INFORMATION: Section 38(g)(4) of the Arms Export Control Act (22 U.S.C. 2778) (AECA) prohibits licenses and other requests for approval for the export of defense articles and the furnishing of defense services to be issued to a person, or any party to the export, be issued to a person, or any party to the export, convicted of violating or conspiring to violate the AECA. This notice is provided in order to make the public aware that the following entities are prohibited from participating directly or indirectly in the export from the United States of defense articles, related technical data, or defense services for which a license or other approval is required from the Department of State under the AECA: Fuchs Electronics (Pty) Ltd., 15 Combrinck Street, Alrode, Gauteng, South Africa, including the Fuchs Electronics Division of Reunert Limited.

Effective June 8, 1994, the Department of state implemented a policy of denial pursuant to Sections 38 and 42 of the AECA and Sections 126.7(a)(1) and (a)(2) of the ITAR for Fuchs and any divisions, subsidiaries, associated companies, affiliated persons, and successor entities in response to an indictment returned in the U.S. District Court for the Eastern District Court of Pennsylvania charging Fuchs with violating and conspiring to violate the AECA (see 59 Federal Register 33811, June 30, 1994).

Fuchs pleaded guilty on February 27, 1997, to charges of violating the AECA. Pursuant to a Consent Agreement between Fuchs and the Department of State, and an Order signed by the Assistant Secretary for Political-Military Affairs, Fuchs, including the Fuchs Electronics Division of Reunert Limited, will be subject to statutory debarment and its licensing privileges will be reinstated in accordance with the terms of the Consent Agreement entered into by Fuchs and the Department on January 24, 1997. At such time, a further notice will be published herein.

This notice involves a foreign affairs function of the United States encompassed within the meaning of the military and foreign affairs exclusion of the Administrative Procedure Act. Because the exercise of this foreign affairs function is discretionary, it is excluded from review under the Administrative Procedure Act.

Dated: February 12, 1997.

William J. Lowell,

Director, Office of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State.

[FR Doc. 97–7273 Filed 3–21–97; 8:45 am]

BILLING CODE 4710–25–M

TENNESSEE VALLEY AUTHORITY

Sunshine Act Meeting (Meeting No. 1493)

TIME AND DATE: 10 a.m. (CST), March 26, 1997.

PLACE: Ramada Inn Convention Center, Room 4, 854 North Gloster Street, Tupelo, Mississippi.

STATUS: Open.

Agenda

Approval of minutes of meeting held on February 19, 1997.

Discussion Items

1. Lowndes, Mississippi, Substation

2. TVA Customer Service Centers

New Business

E—Real Property Transactions

E1. Deed modification affecting approximately 0.065 acre of former TVA land on Kentucky Lake in Stewart County, Tennessee (Tract No. XGIR–259).

E2. Grant of easement affecting approximately 330 square feet of TVA's Summer Place Building and Parking Garage property in Knox County, Tennessee (Tract No. XKOC–1B).

E3. Abandonment of a portion of the right-of-way easement affecting approximately 3.02 acres of land on the Lonsdale-Alcoa transmission line in Blount County, Tennessee (Tract No. NA–188).

Unclassified

F1. Filing of condemnation cases.

Information Items

1. Revision to the price schedule for commodity-based power arrangements with SKW Metals an Alloys, Inc.

2. Joint marketing agreement with Tata Electric Companies.

3. Business Practice 9, Management of TVA's Supply Chain Process.

4. Grant of easement affecting approximately 1 acre of land on Norris Lake for a fire station in Union County, Tennessee (Tract No. XTNR–111B).

5. New investment managers and management agreements between the TVA Retirement System and Wellington Management Company, LLP, and Goldman Sachs Asset Management.

For more information: Please call TVA Public Relations at (423) 632–6000, Knoxville, Tennessee. Information is also available at TVA's Washington Office (202) 898–2999.