reclamation period that allowed participants to reclaim deliveries (*i.e.*, return deliveries) until 3:30 p.m.[5] The reclamation procedure is designed to provide the recipient of a delivery with the opportunity to reject the delivery.

Prior to this amendment, a participant could unwind through the reclamation process issuances previously made by the IPA between 3:00 p.m. and 3:30 p.m., but an IPA was not able to unwind after 3:00 p.m. income and maturity payments it had made. The rule change extends the IPA's refusal to pay opportunity with respect to reclamations made to its account between 3:00 p.m. and the end of the reclamation period. The rule change allows IPAs to instruct DTC to reverse those reclaims that are processed after 3:00 p.m. in the event that the IPA believes the reclaims are associated with the issuer's insolvency. The IPA is able to request the reversal of these reclamations by giving DTC oral notice within fifteen minutes after the end of the reclamation period. Within thirty minutes after the end of the reclamation period, the IPA is required to provided DTC with written notice of the basis for which DTC could treat the issuer as insolvent under its rules.[6] A copy of the IPA's written notice would then be provided to all participants.

II. Discussion

Section 17A(b)(3)(F) provides that the rules of a clearing agency must be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency.[7] The Commission believes that the rule change is consistent with DTC's obligations under the Act because it enables IPAs to make issuances and payments with respect to a particular MMI program throughout the day while still affording the IPAs certain protections in the event of an issuer default. By extending IPA's ability to reverse payments in the event of issuer default, the proposal should result at the end of the day in a decrease in the number of money transfers that have been made to participants but to which the participants are not entitled because of issuer defaults while still providing for credits to be made available to participants during the day. As a result, the proposal should help facilitate the clearance and settlement of securities transactions, while still providing for the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.

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–DTC–96–21) 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. 97–2011 Filed 1–27–97; 8:45 am]

BILLING CODE 8010–01–M

[5] The end of the reclamation period is approximately 3:30, but this deadline may vary slightly depending upon the timing of the release of other DTC controls.

[6] DTC's Rule 12 which governs insolvency provides: ''An issuer of MMI securities subject of any transaction in the MMI Program shall be treated by [DTC] in all respects as insolvent in the event that the issuer is determined to be insolvent by any agency which regulates such issuer or in the event of the entry of a decree or order by a court having jurisdiction in the premises adjudging the issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the issuer under the Federal Bankruptcy Code or any other applicable Federal or State law or appointing a receiver, liquidator, assignee, trustee, sequester (or other similar official) of the issuer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs or the institution by the issuer of proceedings to be adjudicated a bankrupt or insolvent or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable Federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequester (or other similar official) of the issuer or of any substantial part of its property, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the issuer in furtherance of any such action and, notwithstanding the foregoing, upon the filing by the issuer of a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the issuer under the Federal Bankruptcy Code or any other applicable Federal or State law, or the filing against it or any such petition, at any time [DTC] receives notice thereof, either written or oral and from whatsoever source and, without awaiting any further adjudication, consent thereto, acceptance or approval of such filing, determines to its reasonable satisfaction that such has occurred.''

[7] 15 U.S.C. 78q–1(b)(3)(F)

[8] 17 CFR 200.30–3(a)(12).

[Release No. 34–38188; File No. SR–OCC–96–18]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change To Revise Rules To Include Limited Cross-Guarantee Agreements

January 21, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on December 9, 1996, 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 purpose of the proposed rule change is to revise OCC's by-laws and rules to authorize OCC to execute ''limited cross-guarantee agreements'' with other clearing agencies.

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

The purpose of the proposed rule change is to revise OCC's by-laws and rules to authorize OCC to execute ''limited cross-guarantee agreements'' with other clearing agencies. A limited cross-guarantee agreement is an agreement between two or more clearing agencies that provides that if the parties to the agreement must liquidate the assets of an entity that is a member of two or more of the agencies (''common member'') and at least one of the clearing agencies liquidates the assets of

[1] 15 U.S.C. 78s(b)(1).

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

the common member in its control to a loss and at least one liquidates the assets of the common member to a gain, each clearing agency liquidating to a gain will make the excess assets of the common member in its control available to each clearing agency liquidating to a loss up to the amount of the loss. If all of the parties to a limited cross-guarantee agreement liquidate the assets of a common member in their respective control to a gain or if all liquidate to a loss, the agreement provides that no assets will be made available by any party to the agreement to any other party. The cross-guaranties established in a limited cross-guarantee agreement are limited in the sense that each party to the agreement guarantees funds to the other parties only if it liquidates the assets of a common member in its control to a net gain and only up to the amount of the net again.

The effect of a limited cross-guarantee agreement is to enable each party to the agreement to have recourse to the assets of a defaulting common member in the control of the other parties to the agreement. Therefore, a limited cross-guarantee agreement should reduce the risk of each of the clearing agencies which is a party to the agreement because a defaulting common member may have positions spread across markets in such a manner that its net asset position at one clearing agency is positive even though its net asset position at another clearing agency is negative.

OCC is currently pursuing discussions of the terms of a limited cross-guarantee agreement with other clearing agencies. OCC anticipates that it will be filing with the Commission one or more limited cross-guarantee agreements to which it has become a party following the conclusion of those discussions.

The Commission has generally stated its support of the use of limited cross-guarantee agreements as a means of reducing the exposure of clearing agencies to loss as a result of the default of common members.[3] OCC proposes to add definitions of ''common member,'' ''cross-guarantee party,'' and ''limited cross-guarantee agreement'' to Article I of its by-laws.

OCC proposes to add new paragraph (i) to Section 5 of Article VIII of its by-laws to provide explicitly that OCC may use the clearing fund contributions of a clearing member to satisfy its limited cross-guarantee obligations to other clearing agencies with respect to that clearing member. New paragraph (i) provides that the amount charged against a clearing member's contributions to the stock clearing fund and non-equity securities clearing fund will be in proportion to the clearing member's contributions to the stock clearing fund and the non-equity securities clearing fund as fixed at the time of the suspension of the clearing member. New paragraph (i) does not provide OCC with any authority to use the clearing fund contributions of other clearing members (*i.e.*, other than the defaulting clearing member) to satisfy any limited cross-guarantee obligation that OCC has to another clearing agency because OCC will not have any obligation pursuant to a limited cross-guarantee agreement which could require recourse to the clearing fund contributions of other clearing members.

OCC also proposes to add new paragraph (j) to Section 5 of Article VIII of its by-laws to establish a rule for allocating funds received by OCC pursuant to a limited cross-guarantee agreement where OCC has charged, or will charge, the stock clearing fund and the non-equity securities clearing fund. The new paragraph provides that the funds will be credited to the stock clearing fund and the non-equity securities clearing fund in proportion to the computed contributions of the suspended clearing member to the two clearing funds as fixed at the time of the suspension of the clearing member. If one of the two clearing funds is made whole then the remainder of the funds will be credited entirely to the other clearing fund.

OCC proposes to add three new interpretations to Article VIII, Section 5 of its by-laws. New interpretation .03 states explicitly that if OCC has a deficiency after the application of all available funds of a suspended clearing member and if OCC cannot determine 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 refunds 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 proposes to add a 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. OCC believes 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.''

OCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because the proposal assures the safeguarding of securities and funds in its custody or control or for which OCC is responsible.

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

OCC does not believe that the proposed rule change will have any material impact on competition.

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

Written comments were not and are not intended to be solicited by OCC with respect to the proposed rule change, an none have been received.

[3] Securities Exchange Act Release No. 37616 (August 28, 1996), 61 FR 46887 [File Nos. SR–MBSCC–96–02, SR–GSCC–96–03, and SR–ISCC–96–04] (order approving proposed rule changes seeking authority to enter into limited cross-guaranty agreements filed by MBS Clearing Corporation, Government Securities Clearing Corporation and International Securities Clearing Corporation).

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 period (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 OCC 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. 20549. 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. 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–96–18 and should be submitted by February 18, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[4]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–2012 Filed 1–27–97; 8:45 am]

BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

Tangent Growth Fund, L.P. (License No. 09/09–0408); Notice of Issuance of a Small Business Investment Company License

On January 4, 1995, an application was filed by Tangent Growth Fund, L.P., 944 Market Street, Suite 800, San Francisco, California, with the Small Business Administration (SBA) pursuant to Section 107.102 of the Regulations governing small business investment companies (13 C.F.R. 107.102 (1996)) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 09/09/–0408 on January 10, 1997, to Tangent Growth Fund, L.P. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: January 21, 1997.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97–1957 Filed 1–27–97; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

White House Commission on Aviation Safety and Security; Cancellation of Meeting

AGENCY: Office of the Secretary, DOT.

ACTION: Cancellation of Meeting.

SUMMARY: The White House Commission on Aviation Safety and Security has canceled its meeting scheduled for Tuesday, January 28, 1997, from 9:00 AM–12:00 noon and 2:00 PM to 5:00 PM. It will be set for another date and time, and notice will be given.

FOR FURTHER INFORMATION CONTACT: Richard K. Pemberton, Administrative Officer, Room 6210, GSA Headquarters, 18th & F Streets, NW, Washington, DC 20405; telephone 202.501.3863; telecopier 202.501.6160.

Issued in Washington, DC, on January 23, 1997.

Nancy E. McFadden,

General Counsel, Department of Transportation.

[FR Doc. 97–2240 Filed 1–27–97; 8:45 am]

BILLING CODE 4910–62–P

Office of the Secretary

[Docket No. OST–97–2085]

Proposed Policy Encouraging Metropolitan Planning Organizations and Airport Operators to Cooperate in Transportation Planning

AGENCY: Office of the Secretary, DOT.

ACTION: Proposed policy statement.

SUMMARY: The Department of Transportation (DOT) is publishing for comment a proposed policy statement regarding the need for coordination between aviation and surface transportation planning efforts, particularly between airport operators and metropolitan planning organizations, with emphasis on urbanized areas over one million population as defined by the latest Decennial Census.

There are a number of concerns and issues shared by policy makers responsible for airport and surface transportation decision making, including the need to plan for and develop adequate surface transportation access serving airports. This policy addresses the need to enhance cooperation across transportation modes. This type of cooperation is especially important because planning requirements for the individual transportation modes (highway, transit, rail, and aviation) are contained in separate statutory authority. The DOT believes that it is desirable to stimulate and revitalize the cooperative relationship between airport operators and metropolitan planning organizations to achieve a thoughtful and carefully coordinated program of intermodal and multimodal system planning and development.

This proposed policy is consistent with the statutory policy provisions guiding the Federal airport improvement program, such as encouraging the efficient and effective development of intermodal transportation systems. 49 U.S.C. 47101(a)(5). This proposed policy also implements the statutory policy directing the Department to integrate airport improvement planning with intermodal planning. 49 U.S.C. 47101(g), as amended by section 141 of the Federal Aviation Authorization Act of 1996. Pub. L. No. 104–264, October 9, 1996.

DATES: Comments on this proposal should be received by March 31, 1997.

ADDRESSES: Submit written, signed comments to Docket No. OST–97–2085, the Docket Clerk, U.S. Department of Transportation, Room PL–401, SVC–

[4] 17 CFR 200.30–3(a) (12).