

normal business days between the hours of 8:30 a.m. and 5:00 p.m. at the Public Reference Room, Room 130, Federal Trade Commission, 6th St. & Pennsylvania Ave., NW, Washington, D.C. 20580.

IV. Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial regulatory analysis (5 U.S.C. 603-604) are not applicable to this proposal because the Commission believes that the amendment, if promulgated, will not have a significant economic impact on a substantial number of small entities. The Commission has tentatively reached this conclusion with respect to the proposed amendment because the amendment would impose no additional obligations, penalties or costs. The amendment simply would allow covered companies to use a new generic name for a new fiber that may not appropriately fit within current generic names and definitions. The amendment would impose no additional labeling requirements.

To ensure that no substantial economic impact is being overlooked, however, the Commission requests public comment on the effect of the proposed amendment on costs, profits, and competitiveness of, and employment in, small entities. After receiving public comment, the Commission will decide whether preparation of a final regulatory flexibility analysis is warranted. Accordingly, based on available information, the Commission certifies, pursuant to the Regulatory Flexibility Act (5 U.S.C. 605(b)), that the proposed amendment, if promulgated, would not have a significant economic impact on a substantial number of small entities.

V. Paperwork Reduction Act

This proposed amendment does not constitute a "collection of information" under the Paperwork Reduction Act of 1995 (Pub. L. 104-13, 109 Stat. 163) and its implementing regulations. (5 CFR 1320 et seq.) The collection of information imposed by the procedures for establishing generic names (16 CFR 303.8) has been submitted to OMB and has been assigned control number 3084-0101.

List of Subjects in 16 CFR Part 303

Labeling, Textile, Trade practices.

VI. Proposed Amendments

Accordingly, the Commission proposed that 16 CFR Part 303 be amended as follows:

PART 303—RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

1. The authority citation for part 303 continues to read as follows:

Authority: 15 U.S.C. 70e(c) et seq.

2. It is proposed that a new paragraph (w) be added to § 303.7, to read as follows:

§ 303.7 Generic names and definitions for manufactured fibers.

* * * * *

(w) Melamine. A manufactured fiber in which the fiber-forming substance is a synthetic polymer composed of at least 50% by weight of a cross-linked melamine polymer.

By direction of the Commission.

Benjamin I. Berman,

Acting Secretary.

[FR Doc. 98-100 Filed 2-5-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Chapter II

[Release Nos. 33-7491, 34-39496, 35-26806, 39-2360, IC-22978, IA-1690; File No. S7-34-97]

List of Rules To Be Reviewed Pursuant to the Regulatory Flexibility Act

AGENCY: Securities and Exchange Commission.

ACTION: Publication of list of rules scheduled for review.

SUMMARY: The Securities and Exchange Commission is today publishing a list of rules to be reviewed pursuant to Section 610 of the Regulatory Flexibility Act. The list is published to provide the public with notice that these rules are scheduled for review by the agency and to invite public comment on them.

DATES: Public comments are due by January 31, 1998.

ADDRESSES: Persons wishing to submit written comments should file three copies with Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Room 6184, Stop 6-9, Washington, D.C. 20549. All submissions should refer to File No. S7-34-97, and will be available for public inspection and copying at the Commission's Public Reference Room, Room 1026, at the same address.

FOR FURTHER INFORMATION CONTACT: Anne H. Sullivan, Office of the General Counsel, Securities and Exchange Commission 202-942-0954.

SUPPLEMENTARY INFORMATION: The Regulatory Flexibility Act ("RFA") codified at 5 U.S.C. 600-611 requires agencies to review rules which have a significant economic impact upon a substantial number of small entities every ten years. The purpose of the review is "to determine whether such rules should be continued without change, or should be amended or rescinded * * * to minimize any significant economic impact of the rules upon a substantial number of such small entities" (5 U.S.C. 610(a)).

The RFA sets forth specific considerations that must be addressed in the review of each rule:

- the continued need for the rule;
- the nature of complaints or comments received concerning the rule from the public;
- the complexity of the rule;
- the extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with State and local governmental rules; and
- the length of time since the rule has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule (5 U.S.C. 610(c)).

The Securities and Exchange Commission, as a matter of policy, reviews all rules which it publishes notice and comment for compliance with the RFA. Pursuant to the RFA, the rules and forms listed below are scheduled for review by staff of the Commission during the next twelve months. The rules are grouped according to which Division or Office of the Commission will review each rule:

Rule To Be Reviewed by the Office of the Chief Accountant

Title: Article 10 of Regulation S-X (Interim Financial Statements).

Citation: 17 CFR 210.10.

Authority: 15 U.S.C. 77f, 77g, 77s(a), 77aa(25), 77a(26), 78l, 78m, 78o(d), 78w(a), 79e(b), 79n, 79t(a), 80a-8, and 80a-29.

Rule To Be Reviewed by the Division of Corporation Finance

Title: Rule 701 (Exemption for offers and sales of securities pursuant to certain compensatory benefit plans and contracts relating to compensation).

Citation: 17 CFR 230.701.

Authority: 15 U.S.C. 77a et seq.

Rule To Be Reviewed by the Division of Market Regulation

Title: Rule 10b-21(T) (Short sales in connection with a public offering).

Citation: 17 CFR 240.10b-21(T).

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss,

77tt, 78c, 78d, 78i, 78l, 78m, 78n, 78o, 78p, 78s, 78w, 78x, 78l(d), 79q, 80e-20, 80e-23, 80e-29, 80b-3, 80b-4 and 80b-11.

Rules and Forms to be Reviewed by the Division of Investment Management

Title: Rule 482 (Advertising by an investment company as satisfying requirements of section 10).

Citation: 17 CFR 230.482.

Authority: 15 U.S.C. 77j(b) and 77s(a).

Title: Rule 601 (Definitions of terms used in §§ 230.601 to 230.610a).

Citation: 17 CFR 230.601.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 602 (Securities exempted).

Citation: 17 CFR 230.602.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 603 (Amount of securities exempted).

Citation: 17 CFR 230.603.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 604 (Filing of notification on Form 1-E).

Citation: 17 CFR 230.604.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 605 (Filing and use of the offering circular).

Citation: 17 CFR 230.605.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 606 (Offering not in excess of \$100,000).

Citation: 17 CFR 230.606.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 607 (Sales material to be filed).

Citation: 17 CFR 230.607.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 608 (Prohibition of certain statements).

Citation: 17 CFR 230.608.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 609 (Reports of sales hereunder).

Citation: 17 CFR 230.609.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 610 (Suspension of exemption).

Citation: 17 CFR 230.610.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 610a (Schedule A: Contents of offering circular for small business investment companies; Schedule B: Contents of offering circular for business development companies).

Citation: 17 CFR 230.610a.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Form 1-E (Notification under Regulation E).

Citation: 17 CFR 239.200.

Authority: 15 U.S.C. 77c(b) and 77c(c) and 15 U.S.C. 80a-37.

Title: Form 2-E (Report of sales pursuant to rule 609 of Regulation E).

Citation: 17 CFR 239.201.

Authority: 15 U.S.C. 77c(c) and 77s(a).

Title: Rule 34b-1 (Sales literature deemed to be misleading).

Citation: 17 CFR 270.34b-1.

Authority: 15 U.S.C. 80a-24(b).

Title: Rule 0-5 (Procedure with respect to applications and other matters) *Formerly designated rule N-5; renamed rule 0-5 on August 29, 1973.*

Citation: 17 CFR 270.0-5.

Authority: 15 U.S.C. 80a-6(c) and 80a-37(a).

Title: Rule 2a41-1 (Valuation of standby commitments by registered investment companies).

Citation: 17 CFR 270.2a41-1.

Authority: 15 U.S.C. 80a-6(c), 80a-22(c), and 80a-37(a).

Title: Form N-23C-1 (Statement by registered closed-end investment company with respect to purchases of its own securities pursuant to Rule 23c-1 during the last calendar month).

Citation: 17 CFR 274.201.

Authority: 15 U.S.C. 80a-23(c)(3) and 80a-37(a).

Title: Form N-18F-1 (Notification of election pursuant to Rule 18f-1 under the Investment Company Act).

Citation: 17 CFR 274.51.

Authority: 15 U.S.C. 80a-6(c) and 80a-37(a).

Title: Form N-17D-1 (Report filed by small business investment company (SBIC) registered under the Investment Company Act of 1940 and an affiliated bank, with respect to investments by the SBIC and the bank, submitted pursuant to paragraph (d)(3) of § 270.17d-1 of this chapter).

Citation: 17 CFR 274.200.

Authority: 15 U.S.C. 80a-17(d) and 80a-37(a).

Title: Form N-27D-1 (Accounting of segregated trust account).

Citation: 17 CFR 274.127d-1.

Authority: 15 U.S.C. 80a-27(d), 80a-27(f), 80a-38(a) and 15 U.S.C. 6(c).

Title: U-3A-2 (Annual reports pursuant to Rule 2 for exempt holding companies which are intrastate or predominantly operating companies).

Citation: 17 CFR 259.402.

Authority: 15 U.S.C. 79e, 79f, 79g, 79j, 79l, 79m, 79n and 79t.

Title: U-5-S (Annual reports filed under section 5(c) of the Act).

Citation: 17 CFR 259.5s.

Authority: 15 U.S.C. 79e, 79f, 79g, 79j, 79l, 79m, 79n and 79t.

Title: U-5-A (Notification or registration filed under section 5(a) of the Act).

Citation: 17 CFR 259.5a.

Authority: 15 U.S.C. 79e, 79f, 79g, 79j, 79l, 79m, 79n and 79t.

Title: U-5-B (Registration statement filed under section 5(b) of the Act).

Citation: 17 CFR 259.5b.

Authority: 15 U.S.C. 79e, 79f, 79g, 79j, 79l, 79m, 79n and 79t.

Title: U-1 (Application or declaration under the Public Utility Holding Company Act of 1935).

Citation: 17 CFR 259.101.

Authority: 15 U.S.C. 79f and 79g.

Title: Rule 1 (Registration).

Citation: 17 CFR 250.1.

Authority: 15 U.S.C. 79c, 79f(b), 79i(c)(3) and 79t.

Title: Rule 2 (Exemption of holding companies which are intrastate or predominantly operating companies).

Citation: 17 CFR 250.2.

Authority: 15 U.S.C. 79i.

Title: Rule 3 (Exemption of certain banks).

Citation: 17 CFR 250.3.

Authority: 15 U.S.C. 79i.

Title: Rule 4 (Exemption of certain brokers, dealers and underwriters).

Citation: 17 CFR 250.4.

Authority: 15 U.S.C. 79i.

Title: Rule 5 (Exemption of certain foreign holding companies).

Citation: 17 CFR 250.5

Authority: 15 U.S.C. 79c.

Title: Rule 6 (Termination of exemptions).

Citation: 17 CFR 250.6.

Authority: 15 U.S.C. 79c.

Title: Rule 8 (Exemption of subsidiaries subject to jurisdiction of Interstate Commerce Commission).

Citation: 17 CFR 250.8.

Authority: 15 U.S.C. 79i.

Title: Rule 10 (Effect of certain exemptions).

Citation: 17 CFR 250.10.

Authority: 15 U.S.C. 79b, 79d, 79e and 79c.

Title: Rule 11 (Certain acquisitions by affiliates exempted from section 9(a)(2)).

Citation: 17 CFR 250.11.

Authority: 15 U.S.C. 79d, 79e, 79i and 77b.

Title: Rule 12 (Exemption of certain public utility companies from the definition of subsidiary companies of holding companies).

Citation: 17 CFR 250.12.

Authority: 15 U.S.C. 79i.

Title: Rule 23 (Procedure applicable to certain applications and declarations).

Citation: 17 CFR 250.23.

Authority: 15 U.S.C. 79f, 79i, 79j, 79g and 79l.

Title: Rule 24 (Terms and conditions applicable to declaration and orders granting applications).

Citation: 17 CFR 250.24.

Authority: 15 U.S.C. 79f and 79i.

Title: Rule 25 (Answers).

Citation: 17 CFR 250.25.

Authority: 15 U.S.C. 79t.

Title: Rule 26 (Financial statement and recordkeeping requirements for registered holding companies and subsidiaries).

Citation: 17 CFR 250.26.

Authority: 15 U.S.C. 79e, 79f, 79j, 79l, 79m, 79n, 79q and 79t.

Title: Rule 27 (Classification accounts prescribed for utility companies not already subject thereto).

Citation: 17 CFR 250.27.

Authority: 15 U.S.C. 79e, 79f, 79j, 79l, 79m, 79n, 79q and 79t.

Title: Rule 28 (Inconsistent financial statements).

Citation: 17 CFR 250.28.

Authority: 15 U.S.C. 79n.

Title: Rule 47 (Exemption of public utility subsidiaries as to certain securities issued to the Rural Electrification Administration).

Citation: 17 CFR 250.47.

Authority: 15 U.S.C. 79m.

Title: Rule 48 (Certain exemptions in connection with appliance sales and loans to officers or employees).

Citation: 17 CFR 250.48.

Authority: 15 U.S.C. 79i, 79f, 79e(b), 79i(c) and 79m.

Title: Rule 49 (Certain exemptions granted to non-utility subsidiaries).

Citation: 17 CFR 250.49.

Authority: 15 U.S.C. 79f, 79b and 79i.

Title: Rule 51 (Acquisitions pursuant to preliminary agreements and invitation for tenders).

Citation: 17 CFR 250.51.

Authority: 15 U.S.C. 79i.

Title: Rule 60 (Meaning of word "authorization").

Citation: 17 CFR 250.60.

Authority: 15 U.S.C. 79k and 79l.

Title: Rule 61 (Solicitations other than in connection with a reorganization or transaction which is the subject of an application or declaration).

Citation: 17 CFR 250.61.

Authority: 15 U.S.C. 78n.

Title: Rule 62 (Solicitations in connection with reorganization of transaction which is the subject of an application or declaration).

Citation: 17 CFR 250.62.

Authority: 15 U.S.C. 79b.

Title: Rule 70 (Exemptions from section 17(c) of the Public Utility Holding Company Act).

Citation: 17 CFR 250.70.

Authority: 15 U.S.C. 79q(c), 79t(a), 79f(c), 79g, 79d and 79t.

Title: Rule 0-2 (Consent to service of process to be furnished by non-resident investment advisers and by non-resident investment general partners or managing agents of investment advisers).

Citation: 17 CFR 275.0-2.

Authority: 15 U.S.C. 80b-11.

Title: Form 4-R (Irrevocable appointment of agent for service of process, pleadings and other papers by individual non-resident investment adviser).

Citation: 17 CFR 279.4.

Authority: 15 U.S.C. 80b-11.

Title: Form 5-R (Irrevocable appointment of agent for service of process, pleadings and other papers by corporation non-resident investment adviser).

Citation: 17 CFR 279.5.

Authority: 15 U.S.C. 80b-11.

Title: Form 6-R (Irrevocable appointment of agent for service of process, pleadings and other papers by partnership non-resident investment adviser).

Citation: 17 CFR 279.6.

Authority: 15 U.S.C. 80b-11.

Title: Form 7-R (Irrevocable appointment of agent for service of process, pleadings and other papers by non-resident general partner of an investment adviser).

Citation: 17 CFR 279.7.

Authority: 15 U.S.C. 80b-11.

The Commission invites public comment on both the list and the rules to be reviewed.

Dated: December 29, 1997.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-157 Filed 1-5-98; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-121755-97]

RIN 1545-AV86

Reorganizations; Nonqualified Preferred Stock

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS and Treasury Department are issuing a temporary regulation under section 356(e) of the Internal Revenue Code (Code) relating to the receipt of nonqualified preferred stock in certain exchanges. The temporary regulation provides guidance

on when nonqualified preferred stock (as defined in section 351(g)(2)) will not be treated as stock or securities for purposes of sections 354, 355, and 356. The guidance also addresses the treatment of the receipt of a right to acquire nonqualified preferred stock. The temporary regulation provides that in certain circumstances the terms *stock* and *securities* will not include nonqualified preferred stock, or a right to acquire such stock, when received in exchange for stock or rights to acquire stock. The text of the temporary regulation also serves as the text of this proposed regulation. This document also provides notice of a public hearing on this proposed regulation.

DATES: Written comments must be received by April 6, 1998. Requests to appear and outlines of topics to be discussed at the public hearing scheduled for May 5, 1998, at 10 a.m. must be received by April 14, 1998.

ADDRESSES: Send submissions to: CC:DOM:CORP:R [REG-121755-97], room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R [REG-121755-97], Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page or by submitting comments directly to the IRS Internet site at: http://www.irs.ustreas.gov/prod/tax_reggs/comments.html. The public hearing will be held in room 2615, Internal Revenue Building, 1111 Constitution Avenue NW, Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulation, Michael J. Danbury, (202) 622-7750; concerning submissions and the public hearing, LaNita Van Dyke, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

A temporary regulation in the Rules and Regulations section of this issue of the **Federal Register** amends the Income Tax Regulations (26 CFR part 1) relating to section 356 by adding § 1.356-6T. The text of that temporary regulation also serves as the text of this proposed regulation. The preamble to the temporary regulation explains the reason for the addition.