

futures contracts to trade below twenty percent down. As a result, it is possible that the closing prices used by the future markets to determine variation margin on index futures and the closing prices of future options could lose their theoretical relationship to the closing prices of related index option contracts. In such circumstances, OCC margin calculations for cross-margined accounts might incorrectly estimate the actual risk of the cross-margined positions.

The rule change permits OCC to adjust margin requirements for cross-margined accounts in the event of an asynchronized application of circuit breakers by the securities and futures exchanges. Specifically, the rule change gives OCC plenary authority to take whatever actions that it deems appropriate to adjust margins with respect to cross-margined accounts when futures and options market have become delinked.

II. Discussion

Section 17A(b)(3)(F) of the Act⁴ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency or for which it is responsible. Section 17A(a)(2)(A)(ii) of the Act⁵ directs the Commission to use its authority under the Act to facilitate the establishment of linked or coordinated facilities for the clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options. The Commission believes that the proposed rule change is consistent with these requirements under the Act.

The Commission views the use of cross-margining arrangements as a significant risk reduction method because it provides a means whereby individual clearing organizations do not have to independently manage the risk associated with some components (*i.e.*, the futures or options component) of a clearing member's total portfolio. Therefore, cross-margining programs serve to help OCC assure the safeguarding of securities and funds and to facilitate the establishment of linked or coordinated facilities for the clearance and settlement of futures and options, transactions in securities. However, if the securities and futures markets became delinked because of an asynchronized application of circuit breakers it is possible that OCC's margin system might not accurately estimate

the risk associated with positions in a cross-margined account. The Commission believes that the rule change should ensure the continuous accuracy of OCC's margin calculations for cross-margined accounts.

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 with 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. OCC-98-06) be and hereby is approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-34252 Filed 12-24-98; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Small Business Administration; Interest Rates

The Small Business Administration publishes an interest rate called the optional "peg" rate (13 CFR 120.214) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 5 percent for the October-December quarter of FY 99.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for a commercial loan which funds any portion of the cost of a project (see 13 CFR 120.801) shall be the greater of 6% over the New York prime rate or the limitation established by the constitution or laws of a given State. The initial rate for a fixed rate loan shall be the legal rate for the term of the loan.

Jane Palsgrove Butler,

Associate Administrator for Financial Assistance.

[FR Doc. 98-34189 Filed 12-24-98; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Coast Guard

[USCG 1998-4919]

Chemical Transportation Advisory Committee, Subcommittee on Proper Cargo Names

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

SUMMARY: The Chemical Transportation Advisory Committee's (CTAC) Subcommittee on Proper Cargo Names (PCN) will meet to discuss various issues relating to use of proper cargo names for the marine transportation of hazardous materials in bulk. The meeting will be open to the public.

DATES: The PCN Subcommittee will meet on Tuesday, January 12, 1999, from 9 a.m. to 4 p.m. The meeting may close early if all business is finished. Written material and requests to make oral presentations should reach the U.S. Coast Guard on or before January 4, 1999. Requests to have a copy of your material distributed to each member of the CTAC Subcommittee should reach the U.S. Coast Guard on or before January 4, 1999.

ADDRESSES: The Subcommittee will meet at the American Bureau of Shipping (ABS), ABS Plaza, 16855 Northchase Drive, Houston, TX 77060-6008. Point of contact: Mr. Philip G. Rynn; tel.: 281-877-6415; fax.: 281-877-6795. Send written material and requests to make oral presentations to Mr. Curtis Payne, Commandant (G-MSO-3), U.S. Coast Guard Headquarters, 2100 Second Street, SW, Washington, DC 20593-0001. This notice is available on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: For questions on this notice, contact Mr. Curtis Payne, telephone 202-267-1577, fax 202-267-4570. For questions on viewing, or submitting material to, the docket, contact Ms. Dorothy Walker, Chief, Dockets, Department of Transportation, telephone 202-366-9329.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given under the Federal Advisory Committee Act, 5 U.S.C. App. 2.

Meeting Agenda

The agenda for this meeting will be to develop recommendations which address deficiencies previously identified by the Subcommittee with respect to the following issues:

1. Differences in regulatory requirements for the classification, shipping and transportation of bulk

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵ 15 U.S.C. 78q-1(a)(2)(A)(ii).

⁶ 17 CFR 200.30-3 (a) (12).

liquid hazardous materials by marine vessel compared to other modes of transportation,

2. Inadequate regulations, and
3. Training and Procedures.

The meeting is open to the public.

Please note that the meeting may close early if all business is finished. At the Chair's discretion, members of the public may make oral presentations during the meeting. If you would like to make an oral presentation at the meeting, please notify Mr. Payne no later than January 4, 1999. Written material for distribution at the meeting should reach the U.S. Coast Guard no later than January 4, 1999. If you would like a copy of your material distributed to each member of the Subcommittee in advance of the meeting, please submit 25 copies to Mr. Payne no later than January 4, 1999 or make other arrangements with Mr. Payne.

Information on Services for Individuals With Disabilities

For information on facilities or services for individuals with disabilities or to request special assistance at the meeting, contact Mr. Payne as soon as possible.

Dated: December 17, 1998.

Joseph J. Angelo,

Director of Standards, Marine Safety and Environmental Protection.

[FR Doc. 98-34341 Filed 12-24-98; 8:45 am]

BILLING CODE 4910-15-M

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33692]

Adrian & Blissfield Rail Road Company—Acquisition Exemption—Grand Trunk Western Railroad Incorporated

Adrian & Blissfield Rail Road Company (ADBF), a Class III rail carrier, has filed a notice of exemption under 49 CFR 1150.41 to acquire (by purchase) approximately 2.27 miles of rail line owned by Grand Trunk Western Railroad Incorporated (GTW) (known as the Dequindre Line) between (1) milepost 1.77 and milepost 4.04 in Wayne County, MI (the Holly subdivision).¹ ADBF will operate the property.

The transaction was scheduled to be consummated on or shortly after December 15, 1998.

¹ ADBF certifies that its annual revenue will not exceed those that would qualify it as a Class III rail carrier and that its annual revenues are not projected to exceed \$5 million.

If this notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33692, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Kenneth J. Bisdorf, 2301 West Big Beaver Road, Suite 600, Troy, MI 48064-3329.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: December 17, 1998.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. 98-34280 Filed 12-24-98; 8:45 am]

BILLING CODE 4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. AB-437 (Sub-No. 2X)]

Kansas Southwestern Railway, L.L.C.—Abandonment Exemption—in Reno, Pratt and Stafford Counties, KS

Kansas Southwestern Railway, L.L.C. (KSW) has filed a notice of exemption under 49 CFR part 1152 subpart F—*Exempt Abandonments* to abandon an approximately 64.27-mile line of railroad on the Iuka Branch between milepost 609.97, at Olcott and milepost 630.13 at Iuka, and the portion of its Stafford Branch between milepost 610.0, at Olcott and milepost 654.11 at Radium, in Reno, Pratt and Stafford Counties, KS. The line traverses United States Postal Service Zip Codes 67121, 67583, 67578, 67545, 67577, 67571, 67569 and 67066.

KSW has certified that: (1) No local traffic has moved over the line for at least 2 years; (2) there has been no overhead traffic handled on the line during that period; (3) no formal complaint filed by a user of rail service on the line (or by a state or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending with the Surface Transportation Board (Board) or with any U.S. District Court or has been decided in favor of complainant within the 2-year period; and (4) the requirements at 49 CFR 1105.7

(environmental reports), 49 CFR 1105.8 (historic reports), 49 CFR 1105.11 (transmittal letter), 49 CFR 1105.12 (newspaper publication), and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed. Provided no formal expression of intent to file an offer of financial assistance (OFA) has been received, this exemption will be effective on January 27, 1999, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,¹ formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2),² and trail use/rail banking requests under 49 CFR 1152.29 must be filed by January 7, 1999. Petitions to reopen or requests for public use conditions under 49 CFR 1152.28 must be filed by January 19, 1999, with: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW, Washington, DC 20423.

A copy of any petition filed with the Board should be sent to applicant's representative: Karl Morell, Ball Janik LLP, 1455 F St., NW., Suite 225, Washington, DC 20005. If the verified notice contains false or misleading information, the exemption is void *ab initio*.

KSW has filed an environmental report which addresses the abandonment's effects, if any, on the environment and historic resources. The Section of Environmental Analysis (SEA) will issue an environmental assessment (EA) by December 31, 1998. Interested persons may obtain a copy of the EA by writing to SEA (Room 500, Surface Transportation Board, Washington, DC 20423) or by calling SEA, at (202) 565-1545. Comments on environmental and historic preservation matters must be filed within 15 days

¹ The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by the Board's Section of Environmental Analysis in its independent investigation) cannot be made before the exemption's effective date. See *Exemption of Out-of-Service Rail Lines*, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption's effective date.

² Each offer of financial assistance must be accompanied by the filing fee, which currently is set at \$1000. See 49 CFR 1002.2(f)(25).