

Qualified Plan makes such decision without a vote of its participants.

5. The Board's determination of the existence of a material irreconcilable conflict and its implications will be made known promptly and in writing to Qualified Plans.

6. Each Qualified Plan will vote as required by applicable law governing Qualified Plan documents.

7. All reports of potential or existing conflicts received by a Board and all Board actions with regard to determining the existence of a conflict of interest, notifying Qualified Plans of a conflict, and determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the Board or other appropriate records, and such minutes or other records shall be made available to the Commission upon request.

8. The Maxim Fund will disclose in its prospectus that: (a) shares of the Fund may be offered to insurance company separate accounts on a mixed and shared basis and to Qualified Plans; (b) material irreconcilable conflicts may arise between the interests of Variable Contract owners participating in the Fund and the interests of Qualified Plans investing in the Fund; and (c) the Board of the Fund will monitor events in order to identify the existence of any material irreconcilable conflict and determine what action, if any, should be taken in response to such material irreconcilable conflict.

9. No less than annually, Qualified Plan Participants that have executed a participation agreement upon becoming an owner of 10% or more of the assets of a Portfolio (or a class thereof) of Maxim Fund shall submit to the Board such reports, materials or data as the Board may reasonably request so that the Board may carry out fully the obligations imposed upon it by the conditions contained in the application. Such reports, materials and data shall be submitted more frequently if deemed appropriate by the Board. The obligations of the Qualified Plan Participants to provide these reports, materials and data shall be a contractual obligation of all the Qualified Plan Participants under the agreements governing their participation in the Funds.

10. The Fund will not accept a purchase order from a Qualified Plan if such purchase would make the Qualified Plan shareholder an owner of 10% or more of the assets of the Fund (or portfolio thereof) unless such Qualified Plan executes a fund participation agreement with the Fund, including the conditions set forth herein to the extent applicable. A Qualified

Plan will execute a shareholder participation agreement containing an acknowledgment of this condition at the time of its initial purchase of shares of such Fund.

Conclusions

For the reasons summarized above, Applicants assert that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-23389 Filed 9-8-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41810; File No. SR-OCC-99-01]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Relating to the Acceptance of Letters of Credit for Margin Purposes

August 30, 1999.

On January 22, 1999, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-99-01) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ to permit OCC to replace its current letter of credit form with a letter of credit form developed by the Uniform Clearing Group ("UCG").² Notice of the proposal was published in the *Federal Register* on June 14, 1999.³ On August 2, 1999, OCC amended the proposed rule change.⁴ No comment letters were received. For the reasons

¹ 15 U.S.C. 78s(b)(1).

² The UCG is an organization composed of all major securities and futures clearing organizations and depositories in the United States. The members of the UCG include the Boston Stock Exchange Clearing Corporation, The Depository Trust Company, Government Securities Clearing Corporation, MBS Clearing Corporation, National Securities Clearing Corporation, OCC, Board of Trade Clearing Corporation, Chicago Mercantile Exchange, Clearing Corporation of New York, Kansas City Board of Trade, Minneapolis Grain Exchange, New York Mercantile Exchange, Emerging Markets Clearing Corporation, and Clearing Corporation for Options and Securities.

³ Securities Exchange Act Release No. 41486 (June 7, 1999), 64 FR 31889.

⁴ The amendment filed by OCC was a technical amendment to the proposed rule change and as such did not require republication of the notice.

discussed below, the Commission is approving the proposed rule change.

I. Description

The rule change will amend OCC's Rule 604(c) to incorporate the use of the Uniform Letter of Credit ("ULC") created by UCG. First, the rule change will require the issuing bank to make payment against the ULC within sixty minutes of presentment of a demand for payment. Second, the rule change will add a new paragraph to Rule 604(c) that gives OCC flexibility in specifying acceptable expiration dates for the ULC. Third, the rule change will delete the provisions of OCC's rules that permit a clearing member to issue instructions to OCC that restrict a previously unrestricted letter of credit or a portion thereof to serve as margin only for the clearing member's customers' accounts. Finally, the rule change will delete the last sentence of Rule 604(c)(4), which allows members to deposit letters of credit denominated in any foreign currency that is a trading currency.

II. Discussion

Section 17A(b)(3)(F)⁵ of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are 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. As set forth below, the Commission finds that the rule change is consistent with OCC's obligations under the Act.

By shortening the time period from the third banking day to 60 minutes, the proposed rule change should reduce the likelihood that OCC will be unable to fulfill its settlement obligations while it waits for a issuing bank to honor its demand on a letter of credit.

Currently, OCC requires that a letter of credit expire no later than the first day of the next calendar quarter. By allowing letters of credits to be issued with expiration dates more than one calendar quarter in the future, OCC may be able to simplify its record-keeping, and its members may be able to reduce their costs associated with obtaining letters of credit.

According to OCC, clearing members generally do not use the provisions that permit a clearing member to restrict a previously unrestricted letter of credit. Furthermore, placing the restriction on the face of the letter of credit may

⁵ 15 U.S.C. 78q-1(b)(3)(F).

provide better notice of the restriction and should reduce the likelihood of confusion over which letters are intended to be restricted and which letters are not. Finally, by expressly stating that letters of credit may be denominated in any foreign trading currency is unnecessary in light of other provisions in OCC's rules that specify that letters of credit may be denominated in any currency.

The Commission also finds that the rule change is consistent with OCC's obligations under the Act to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The ULC was developed by OCC and the other members of the UCG to foster uniformity among the various U.S. securities and futures clearing organizations with respect to letters of credit that are deposited as collateral. This uniformity will help reduce operational burdens for securities and futures industry participants and their letter of credit issuers. It should also enhance the legal certainty that the letters of credit received by OCC and other UCG members as collateral will be enforceable.

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-99-01) 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. 99-23390 Filed 9-8-99; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Modifications to the Disability Determination Procedures; Disability Claims Process Redesign Prototype; Correction

AGENCY: Social Security Administration.
ACTION: Notice of a prototype involving modifications to the disability determination procedures; Correction.

SUMMARY: The Social Security Administration (SSA) published a document in the **Federal Register** of

August 30, 1999, announcing a prototype involving a combination of modifications to the disability determination process. The document contained an incorrect address for the Brooklyn branch of the New York Disability Determination Services (DDS).

FOR FURTHER INFORMATION CONTACT:

Harry Pippin, Social Security Administration, Office of Disability, Disability Process Redesign Staff, 6401 Security Boulevard, Baltimore, Maryland 21235-6401, 410-965-9203.

Correction

In the **Federal Register** of August 30, 1999, in FR Doc. 99-22421, on page 47219, in the third column under the caption "Group II", correct the second address listed for the branch DDS for the state of New York to read as follows: State of New York, Division of Disability Determinations, 300 Cadman Plaza West, 13th Floor, Brooklyn, NY 11201-2701.

Dated: August 31, 1999.

Sue C. Davis,

Director, Disability Process Redesign Team.

[FR Doc. 99-23338 Filed 9-8-99; 8:45 am]

BILLING CODE 4190-29-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Aviation Proceedings, Agreements Filed During the Week of August 27, 1999

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 412 and 414. Answers may be filed within 21 days of date of filing.

Docket Number: OST-99-6163

Date Filed: August 24, 1999

Parties: Members of the International Air Transport Association

Subject:

PTC23 AFR-TC3 0079 dated August 27, 1999

Mail Vote 032—TC23/TC123 Africa—TC3

Special Passenger Amending Resolution from Korea to Libya

Intended effective date: September 1, 1999

Dorothy W. Walker,

Federal Register Liaison.

[FR Doc. 99-23391 Filed 9-8-99; 8:45 am]

BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q during the Week Ending August 27, 1999

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-99-6166.

Date Filed: August 24, 1999.

Due Date for Answers, Conforming Applications, or Motions to Modify Scope: September 21, 1999.

Description: Application of Continental Airlines, Inc. pursuant to 49 U.S.C. 41108 and 41102 and subpart Q, applies for a certificate of public convenience and necessity, authoring Continental to provide scheduled foreign air transportation of persons, property and mail between Newark, New Jersey and Buenos Aires, Argentina, and for an allocation of the seven U.S.-Argentina frequencies which become available September 1, 2000.

Docket Number: OST-99-6172.

Date Filed: August 26, 1999.

Due Date for Answers, Conforming Applications, or Motions to Modify Scope: September 23, 1999.

Description: Application of American Airlines pursuant to 49 U.S.C. 41102 and subpart Q, applies for an amendment to its certificate of public convenience and necessity for route 560 (U.S.-Mexico) to engage in foreign air transportation of persons, property, and mail on the following route segments: Chicago-Acapulco, Chicago-Monterrey, Chicago-San Jose del Cabo, Dallas/Ft. Worth-Leon, Dallas/Ft. Worth-San Jose del Cabo, Los Angeles-Guadalajara.

Docket Number: OST-99-6173.

Date Filed: August 27, 1999.

Due Date for Answers, Conforming Applications, or Motions to Modify Scope: September 24, 1999.

Description: Application of Trans Borinquen Air, Inc. pursuant to 49 U.S.C. 41102 and subpart Q, applies for

⁶ 17 CFR 200.30-(a)(12).