

as surety on bonds, indebtedness and performance and other obligations issued or undertaken by AYP, the NEWCOs or the Project NEWCOs subject to the \$100 million investment authority.

By order dated October 9, 1996 (HCAR No. 26590) APS and AYP were allowed to increase the limit on loans and guarantees from \$100 million to \$300 million for all authorized activities.

The applicants now request Commission authorization, through December 31, 1999 unless further Commission approval is no longer required, or the Commission has approved the continuation of the activities pursuant to a new application, for AYP to acquire one or more subsidiaries ("MARKETCOS").

Applicants further propose AYP be authorized, directly or indirectly through MARKETCOS, to market and sell to industrial, commercial and residential customers located within the United States, appliance and equipment repair warranties, service plans, or other maintenance agreements, covering heating and air conditioning systems and other major appliances.

The applicants state that AYP or the MARKETCO may contract with a third party or parties to provide some support services such as underwriting, handling service claims, marketing, billing and/or cash processing.

The applicants state that they expect the appliance service operation to be largely self-supporting, and estimate that the program will result in gross sales revenue of about \$700,000 in the first year which will rise steadily to approximately \$2.5 million at the end of the fifth year.

Applicants also propose that AYP and/or MARKETCOS, through December 31, 1999, unless further Commission approval is no longer required, or the Commission has approved the continuation of the activities pursuant to a new application, engage in consulting for,¹ marketing, selling, leasing, financing, and acquisition and installation of power quality devices to customers within the United States.²

¹ The consulting services may include, but are not limited to: preventative maintenance inspections of customers' energy facilities and energy-consuming equipment, grounding of electrical systems, and lightning protection. AYP or MARKETCO may also provide diagnostic services and recommend and perform power quality solutions.

² Such devices would include uninterruptible power supplies, power monitoring equipment, surge protection equipment designed to protect electrical components, communication equipment, satellite dishes and other electrical equipment from damage due to transient overvoltage/undervoltage conditions in their electric supply.

AYP or MARKETCO would sell or lease the power quality equipment/services to customers and may make loans to customers to finance the purchase. Loans would be evidenced by promissory notes, the term of which shall not exceed the expected useful life of the equipment. Such secured and unsecured loans would be at market interest rates and on market terms and conditions. The aggregate amount of equipment financing outstanding at any one time under Applicants' power quality program will not exceed \$4 million.

Applicants estimate that the program will result in gross sales revenue of about \$560,000 in the first year and this will rise steadily to about \$2.6 million at the end of the fifth year.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-3702 Filed 2-13-97; 8:45 am]

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[Release No. 34-38261; File No. SR-CBOE-97-06]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Enhancements to the CBOE's Order Routing System

February 10, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on February 5, 1997, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE is adopting certain enhancements to the Exchange's electronic Order Routing System ("ORS") on a pilot basis until May 30, 1997, while the Exchange evaluates the changes and determines whether to implement them on a permanent basis. The enhancements, which will be described in an Information Circular to CBOE members, include the following:

- (1) Allowing the electronic routing and processing of contingency and discretionary orders;
- (2) allowing ORS to recognize firm and broker-dealer orders;
- (3) allowing the routing of firm and broker-dealer orders to the Public Automated Routing ("PAR") System workstations in the Standard & Poor's 100 Index ("OEX") crowd; and
- (4) allowing the execution of certain contingency orders on the CBOE's Retail Automated Execution System ("RAES").

The text of the proposed rule change is available at the Office of the Secretary, CBOE, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The CBOE is adopting an Information Circular that describes certain enhancements to ORS. These changes will be implemented on a pilot basis while the Exchange evaluates the changes and determines whether to implement them on a permanent basis. The pilot will expire on May 30, 1997. In the meantime, the Exchange will decide whether to seek permanent approval for the changes.

The information circular that will be distributed to the membership of the Exchange will describe certain enhancements to ORS and certain limitations that will continue to apply to the use of ORS. Specifically, the changes will allow the electronic routing and processing of contingency and discretionary orders, the recognition by ORS of firm and broker-dealer orders, the routing of firm and broker-dealer orders to the PAR System workstations in the OEX crowd, and the execution of certain contingency orders on RAES, as further explained below.

ORS provides member and correspondent firms with a method of efficiently delivering orders to and reports from the CBOE trading floor.

ORS also interfaces with several other peripheral systems at CBOE, including the CBOE Trade Match system, the Time-and-Sales system, the Auto-Quote system, and the market maker hand-held terminals. Member firms with wires attached to the CBOE's front-end computer can send orders electronically from their branches or order desk to ORS. Reports for such orders are sent back electronically to the point from which the order was entered.

Currently, non-contingency and non-broker-dealer orders received by ORS are logged to the ORS database and evaluated, based on volume and price, to determine their routing destination on the CBOE floor. There are four possible destinations for an ORS order: (1) RAES; (2) the Electronic Book ("EBOOK"); (3) the PAR System and floor broker routing; and (4) a firm's booth.

RAES automatically and instantaneously executes customer market and marketable limit orders for eligible series, generally for orders of up to ten contracts. The EBOOK receives pre-open market and limit orders. Generally, intra-day limit orders at least one tick away from the same-side market quote are also sent to EBOOK. Market orders not eligible for automatic execution by RAES, and limit orders "near" the market quote may be floor broker routed to the trading crowd. Such orders are delivered either to printers or to PAR electronic touch-screen workstations at the trading post. Orders not eligible for RAES, EBOOK, or floor broker routing are printed on ORS printers in the member firm booths. These orders are then either run out to the trading crowds or electronically rerouted via the CBOE's Booth Entry and Routing System ("BERS") from booth terminals to EBOOK by the firm staff.¹ Currently, all contingency orders, complex orders (such as spreads), and non-customer orders sent over the ORS wires are delivered to ORS printers in the firm booths. Approximately 70% of customer orders at CBOE are entered through ORS.

The Exchange has recently completed a systems enhancement to ORS, as a result of which it will now be possible to electronically route and process contingency and discretionary orders and to accept firm and broker-dealer orders as valid origin types. The systems enhancements specifically will allow for the routing of the following types of contingency and discretionary orders: All or None orders ("AON"), Immediate

or Cancel orders ("IOC"), Fill or Kill order ("FOK"), Minimum Quantity orders ("MIN"), Stop orders ("STP"), Stop Loss orders ("STP LOSS"), Opening Only orders ("OPG"), Market on Close orders ("MOC"), Closing Only orders ("CLO"), Market if Touched orders ("MIT"), Not Held orders ("NH"), and With Discretion orders. Due to systems and administrative limitations, ORS will continue to be unavailable for stop limit orders as well as spreads, straddles, combos, and other multi-part orders.

There will be a number of practical results from these systems enhancements for customers, brokers, and the Exchange. As a result of these changes, customer orders that are otherwise RAES-eligible market and marketable limit orders tagged with AON, IOC, FOK, or MIN now will be executed on RAES. For MIN orders, the total order quantity must be within the RAES volume. The system enhancements will also have the effect of improving the efficiency of reporting and the accuracy of audit trails for firm and broker-dealer orders because these orders will now have an ORS-id. In addition, the Exchange will enable the system to actually route firm and broker-dealer orders electronically to the PAR workstations in OEX. After the Exchange gains experience with routing firm and broker-dealer orders to the PAR workstations in OEX, it may determine to enable the system to route such orders to equity and Standard & Poor's 500 Index ("SPX") crowds at some future date.

The Exchange expects the system enhancements to provide for more efficient processing of trades because they will allow for electronic fill and cancel reporting to the originating customer destination. In addition, the fill reports will automatically generate an electronic trade match entry. The systems enhancements will also provide parameter controls so that different order types can be selectively crowded at the member firm's option. This flexibility will allow the member firms to employ ORS in the method that each firm believes is the most efficient. The flexibility also allows the firms to change the routing depending upon the market circumstances.

Because the system enhancements to ORS will allow the electronic processing and routing of a greater number of order types and because the enhancements will provide greater flexibility for member firms in the routing of their orders, the Exchange believes this rule change is consistent with and furthers the objectives of Section 6(b) of the Act, in general, and

of Section 6(b)(5), in particular, in that it will foster cooperation and coordination with persons engaged in regulating, clearing, settling, and processing information with respect to, and facilitating transactions in securities, and will remove impediments to and perfect the mechanism of a free and open market in a manner consistent with the protection of investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The CBOE does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were either solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change effects a change in an existing order-entry system of the Exchange that: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not have the effect of limiting access to or availability of the system, it has become effective on a pilot basis until May 30, 1997, pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(5) thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 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

¹ Orders that are phoned to the floor or wired to firm-owned house printers can also be re-entered into ORS by the firm's booth staff.

public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by March 7, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-3789 Filed 2-13-97; 8:45 am]

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Request for Public Comments on U.S. Positions in Negotiations on the People's Republic of China's Accession to the World Trade Organization

AGENCY: Office of the United States Trade Representative.

ACTION: Request for public comments.

SUMMARY: The Trade Policy Staff Committee (TPSC) is requesting additional written comments from the public with respect to issues arising in the context of negotiations on the terms and conditions of the People's Republic of China's (China) accession to the World Trade Organization (WTO). In particular, the TPSC is seeking information on market access issues, including tariffs, non-tariff measures, services, access for agricultural products, subsidies and investment policies, and protection of intellectual property rights. The Executive Branch will consider the written comments received in developing and refining U.S. positions and objectives in China's accession negotiations.

EFFECTIVE DATE: Written comments must be received no later than noon, March 14, 1997.

FOR FURTHER INFORMATION CONTACT: Martha Cheng, Director for China, 202-395-5050, or Catherine Field, Senior Counsel for Multilateral Affairs, 202-395-3432, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

SUPPLEMENTARY INFORMATION: The Chairman of the TPSC invites written

comments from the public on issues to be addressed in the context of negotiations on China's accession to the WTO. Although the TPSC requested and received comments from the public in July 1994 and August 1988 on China's accession to GATT 1947, the need to obtain more current views and advice on a broad range of issues prompted this request. Specifically, the TPSC is seeking written comments on the full range of issues in China's accession process including: (1) Market access issues related to industrial goods, agriculture, and services (including financial and telecommunications services), such as tariff rates, trading rights, standards, sanitary and phytosanitary measures, import licensing, customs valuation, state trading and trade-related investment measures; (2) non-tariff measures affecting U.S. imports such as licenses, quotas, registration requirements or other measures; (3) China's application of WTO "rules" and disciplines, such as transparency, judicial review, uniform application of its trade rules, compliance with subsidies and antidumping rules, (4) safeguards and (5) protection of intellectual property rights.

All comments will be considered in developing the U.S. position and objectives. Information on products or practices subject to these negotiations should include, whenever appropriate, the import or export tariff classification number used by China for the product concerned.

Written Comments From the Public: Requirements for Submission

Interested persons are invited to submit written comments concerning the issues identified in this notice. Comments must be filed in accordance with the requirements set forth in 15 CFR 2006.8(b) (55 FR 20593) and must be filed on or before noon on Friday, March 14, 1997. Comments must be in English and provided in twenty copies to: Gloria Blue, Room 501, Office of the U.S. Trade Representative, 600 17th Street NW., Washington DC 20508. If the comments contains business confidential information and a party is requesting an exemption from disclosure, each page containing such information should be clearly marked "BUSINESS CONFIDENTIAL," in a contrasting color ink at the top of each page, and 20 copies of a non-confidential summary of the confidential information and a cover letter requesting and justifying such treatment submitted. The version that does not contain business confidential information (the public version) should

be clearly marked at the top and bottom of each page (public version or nonconfidential). This version and the nonconfidential summary shall be available for public inspection by appointment, in the USTR Reading Room, 600 17th Street, NW., Room 101, Washington, DC, Monday through Friday, 10:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m.

Frederick L. Montgomery,
Chairman, Trade Policy Staff Committee.
[FR Doc. 97-3759 Filed 2-13-97; 8:45 am]

BILLING CODE 3190-01-M

DEPARTMENT OF TRANSPORTATION

[Docket 37554]

Notice of Order Adjusting the Standard Foreign Fare Level Index

Section 41509(e) of Title 49 of the United States Code requires that the Department, as successor to the Civil Aeronautics Board, establish a Standard Foreign Fare Level (SFFL) by adjusting the SFFL base periodically by percentage changes in actual operating costs per available seat-mile (ASM). Order 80-2-69 established the first interim SFFL, and Order 96-12-14 established the currently effective two-month SFFL applicable through January 31, 1997.

In establishing the SFFL for the two-month period beginning February 1, 1997, we have projected non-fuel costs based on the year ended September 30, 1996 data, and have determined fuel prices on the basis of the latest available experienced monthly fuel cost levels as reported to the Department.

By Order 97-2-6 fares may be increased by the following adjustment factors over the October 1979 level:

Atlantic—1.5555
Latin America—1.5851
Pacific—1.5971

For Further Information Contact:
Keith A. Shangraw (202) 366-2439.

By the Department of Transportation.
Dated: February 10, 1997.

Patrick V. Murphy,
Deputy Assistant Secretary for Aviation and International Affairs.
[FR Doc. 97-3757 Filed 2-13-97; 8:45 am]

BILLING CODE 4910-62-M

Federal Aviation Administration

Notice of Passenger Facility Charge (PFC) Approvals and Disapprovals

AGENCY: Federal Aviation Administration (FAA), DOT.

² 17 CFR 200.30-3(a)(12).