necessary in order to achieve the underlying purpose of this regulation.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12, this exemption is authorized by law, will not present an undue risk to public health and safety, and is consistent with the common defense and security.

Accordingly, the Commission hereby grants an exemption from 10 CFR 50.60 so that this exemption permits the use of the methodology, or its equivalent, specified in Appendix G in the 1996 Addenda to Section XI of the ASME Code for developing P–T limits for IP2.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of the exemption will have no significant impact on the quality of the human environment (62 FR 6584).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 10th day of February, 1998.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 98–3835 Filed 2–13–98; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

Draft Regulatory Guide; Issuance, Availability

The Nuclear Regulatory Commission has issued for public comment a draft of a guide planned for its Regulatory Guide Series. This series has been developed to describe and make available to the public such information as methods acceptable to the NRC staff for implementing specific parts of the Commission's regulations, techniques used by the staff in evaluating specific problems or postulated accidents, and data needed by the staff in its review of applications for permits and licenses.

The draft guide, temporarily identified by its task number, DG–1029 (which should be mentioned in all correspondence concerning this draft guide), is titled ''Guidelines for Evaluating Electromagnetic and Radio-Frequency Interference in Safety-Related Instrumentation and Control Systems.'' The guide is intended for Division 1, ''Power Reactors.'' This draft guide is being developed to describe design, installation, and testing practices that are acceptable to the NRC staff for addressing the effects of electromagnetic and radio-frequency interference and power surges on safety-related instrumentation and control systems in a nuclear power plant environment. This guide will endorse, with certain stated exceptions, the Institute for Electrical and Electronics Engineers Std 1050–1996, ''IEEE Guide for Instrumentation and Control Equipment Grounding in Generating Stations''; IEEE Std C62.41–1991, ''IEEE Recommended Practice on Surge Voltages in Low-Voltage AC Power Circuits''; IEEE Std C62.45–1992, ''IEEE Guide on Surge Testing for Equipment Connected to Low-Voltage AC Power Circuits''; and Military Standards MIL–STD 461, ''Electromagnetic Emission and Susceptibility Requirements for the Control of Electromagnetic Interference'' and MIL–STD 462, ''Measurement of Electromagnetic Interference Characteristics.''

The draft guide has not received complete staff review and does not represent an official NRC staff position.

Public comments are being solicited on Draft Regulatory Guide DG–1029. Comments may be accompanied by additional relevant information or supporting data. Written comments may be submitted to the Rules and Directives Branch, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Copies of comments received may be examined at the NRC Public Document Room, 2120 L Street NW., Washington, DC. Comments will be most helpful if received by April 10, 1998.

You may also download a copy of the guide or provide comments via the NRC's interactive rulemaking website through the NRC home page (http://www.nrc.gov). This site provides the availability to upload comments as files (any format), if your web browser supports that function. For information about the interactive rulemaking website, contact Ms. Carol Gallagher, (301) 415–5905; e-mail CAG@nrc.gov.

Although a time limit is given for comments on this draft guide, comments and suggestions in connection with items for inclusion in guides currently being developed or improvements in all published guides are encouraged at any time.

Regulatory guides are available for inspection at the Commission's Public Document Room, 2120 L Street NW., Washington, DC. Requests for single copies of draft or final guides (which may be reproduced) or for placement on an automatic distribution list for single copies of future draft guides in specific divisions should be made in writing to the U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Printing, Graphics and Distribution Branch; or by fax at (301) 415–5272. Telephone requests cannot be accommodated. Regulatory guides are not copyrighted, and Commission approval is not required to reproduce them.

(5 U.S.C. 552(a))

Dated at Rockville, Maryland, this 29th day of January 1998.

For the Nuclear Regulatory Commission.

M. Wayne Hodges,

Director, Division of Systems Technology, Office of Nuclear Regulatory Research.

[FR Doc. 98–3834 Filed 2–13–98; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39633; File No. SR–MBSCC–97–10]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Modifications to MBSCC's Liquidation Rules

February 9, 1998.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on November 13, 1997, the MBS Clearing Corporation (''MBSCC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–MBSCC–97–10) as described in Items I, II, and III below, which items have been prepared primarily by MBSCC. MBSCC amended the proposed rule change on January 30, 1998.[2] 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 purpose of the proposed rule change is to modify MBSCC's rules on liquidation of open trades.

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

In its filing with the Commission, MBSCC 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. MBSCC has prepared summaries, set forth in sections (A),

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

[2] Letter from Anthony H. Davidson, Vice President and Associate General Counsel, MBSCC (January 30, 1998).

(B),and (C) below, of the most significant aspects of such statements.[3]

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

The proposed rule change will modify MBSCC's rules governing the liquidation of open trades when MBSCC ceases to act for a participant. The modifications will affect Section 5 of Rule 3 of Article III of MBSCC's rules, which governs the disposition of a former participant's open commitments.

MBSCC's open commitment report is a daily report that show a participant's open compared trades and is used to identify a former participant's open commitments in a liquidation situation. MBSCC's rules will provide that participants authorize MBSCC to obtain, if necessary, immediate disclosure of the settlement status of any trade from depository institutions or clearing banks. This modification is intended to reduce MBSCC's reliance on independent contraside verification of trades reflected on the open commitment report and, therefore, the time required to identify a former participant's open trades.

MBSCC's rules will provide that the liquidation of a former participant's open trades will occur on a net basis as determined by MBSCC and as reflected on the open commitment report. However, transactions will be liquidated on a net basis only if the contraside participants and trade terms are eligible for netting. This modification is expected to reduce the number of trades requiring liquidation and, therefore, to reduce the time to liquidate the former participant's open trades.

The proposed rule change addresses the liquidation of trades with specified pools. MBSCC has determined that the liquidation of a former participants' open trades that contain specified pools could substantially delay the liquidation process. Pursuant to the proposed rule change, any open trade of the former participant that contains a specified pool will be disposed of as if it did not contain such specified pool (*i.e.,* the trade will be disposed of based on its generic trade terms such as agency, product, coupon rate, and maturity) unless otherwise determined by MBSCC.

The proposed rule change will modify payment of settlement balance order market differential (''SBOMD'') credits in a liquidation situation. SBOMD represents the cash difference between the contract price of a transaction and the settlement price as a result of SBO netting. MBSCC typically pays SBOMD credits to participants on settlement date. MBSCC's rules will provide that in a liquidation situation MBSCC may temporarily delay SBOMD credits due to original contrasides of the former participant (*i.e.,* the participant with whom the former participant contracted) until the completion of the liquidation of the former participant's open trades. In addition, MBSCC will be able to apply SBOMD credits due to original contrasides of the former participant to offset any assessment against such original contraside pursuant to MBSCC's liquidation rules. This modification is intended to strengthen MBSCC's cash flow position during the extraordinary circumstances presented by a liquidation of a former participant's open trades.

The proposed rule change also will clarify the status of claims resulting from variance in the context of a liquidation of a former participant's open trades. Sellers in the mortgage-backed securities market are typically permitted to deliver securities that vary by a certain percentage from the originally traded face value pursuant to The Bond Market Association's guidelines for mortgage-backed securities (*i.e.,* a variance). MBSCC calculates a cash adjustment for its participants that includes variance only for trades that have gone through the netting process. Accordingly, the proposed rule change will make explicit that MBSCC will not allow claims for variance pursuant to The Bond Market Association's guidelines relating to a former participant's open trades that have not completed SBO netting or that have a trade-for-trade status. Claims will be allowed for cash adjustments relating to a former participant's open trades that have completed SBO netting if such claims are reasonable as determined solely by MBSCC. In addition, the proposed rule change will clarify that original contrasides will be responsible for prorated cash adjustments of the former participant if the amount available from the former participant is insufficient to cover its obligations.

The proposed rule change will address claims for losses associated with unmargined trades in a liquidation situation. Currently, MBSCC generally gives priority to claims by contrasides which were matched with the former participant through MBSCC's netting process provided that the contraside was not the original contraside to the trade (''SBO contrasides'') before claims by original contrasides in the event that the amount available from the former participant is insufficient to cover its obligations. The proposed rule change will create an additional priority that gives claims for losses by original contrasides relating to unmargined trades a lesser priority than claims for losses by original contrasides relating to previously margined trades if the amount available from the former participant is insufficient to cover its obligations. As a result of this modification, MBSCC's priority structure will be (1) SBO contrasides, (2) original contrasides for previously margined trades,[4] and (3) original contrasides for unmargined trades.

The proposal will add a reference to SBO destined trade in Section 5(d)(i) of Rule 3 of Article III that was inadvertently omitted from such section. Such section provides that the original contract price will be used to determine the profit or loss arising from an SBO destined trade. The proposed rule change will modify MBSCC's liquidation rules to add the word ''and'' in the first sentence of Section 5 of Rule 3 of Article III, to correct cross-references in Sections 5(c) and 5(f) of Rule 3 of Article III, and to replace the reference to ''new trade'' with ''liquidated trade'' in the last paragraph of Section 5(f) of Rule 3 of Article III. The proposed rule change also will make a technical modification to MBSCC's rules to replace all references to the Public Securities Association with The Bond Market Association to reflect the recent name change of such organization.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act[5] and the rules and regulations thereunder because it is designed to promote the prompt and accurate clearance and settlement of securities transactions and to assure the safeguarding of securities and funds which are in the custody or control of MBSCC or for which it is responsible.

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

MBSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

[3] The Commission has modified the text of the summaries prepared by MBSCC.

[4] In this instance, original contrasides could include an original party to the trade which was again matched against the former participant through the netting process or an original contraside to a trade that has been margined but has not yet been through the netting process.

[5] 15 U.S.C. 78q–1(b)(3)(F).

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

MBSCC advised participants of the proposed rule change by an administrative bulletin dated May 9, 1997. No written comments relating to the proposed rule change have been received. MBSCC will notify the Commission of any written comments received by MBSCC.

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 MBSCC 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, including whether the proposed rule change is consistent with the Act. 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 Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of MBSCC. All submissions should refer to the file number SR–MBSCC–97–10 and should be submitted by March 10, 1998.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98–3854 Filed 2–13–98; 8:45 am]

BILLING CODE 8010–01–M

[6] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39632; File No. SR–NASD–98–09]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc., Relating to the Operation of the OTC Bulletin Board

February 9, 1998.

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 3, 1998, the Nasdaq Stock Market, Inc. ("Nasdaq") 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 Nasdaq. Nasdaq has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration or enforcement of an existing rule under § 19(b)(3)(A) of the Act, which renders the rule effective upon the Commission's receipt of this filing. 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

Nasdaq is proposing to effect the removal of quotations from the OTC Bulletin Board ("OTCBB") of certain American Depositary Receipts ("ADRs") representing underlying shares in Cifra, S.A. de D.V., a foreign private issuer organized under the laws of Mexico.

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

In its filing with the Commission, Nasdaq 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. Nasdaq 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

1. Purpose

This rule change is being filed to effect the removal of quotations from the OTCBB of certain ADRs representing underlying shares in Cifra, S.A. de D.V. ADRs ("Cifra"). As the Commission is well aware, the OTCBB is a quotation medium used by NASD members to quote securities not listed on Nasdaq or a national securities exchange. As originally developed, the OTCBB sought to provide increased transparency through a centralized electronic quotation system for all such OTC equity securities, including foreign equities and ADRs. As the Commission also is aware, ADRs are negotiable receipts usually issued by U.S. banks, which certify that a stated number of shares of a foreign private issuer have been deposited in the bank or its foreign affiliate or correspondent. The depositary banks maintain a registry of ADR holders, and, usually for a fee, monitor dividend declarations, collect and convert dividends to U.S. currency, and remit the dividends to U.S. shareholders. Thus ADRs provide benefits to U.S. shareholders by simplifying the transfer of interests in the underlying foreign securities as well as information and dividends by these foreign companies.

For some time, National Association of Securities Dealers, Inc. ("NASD") members have displayed quotations for Cifra's ADRs in the OTCBB pursuant to applicable NASD and SEC rules governing the display of quotations in quotation media such as the OTCBB.[1] The particular security that is the subject of this filing, identified with ticker symbol CFRAY, has been described on the OTCBB display screen as an ADR representing underlying Series B securities in Cifra. It is the understanding of Nasdaq staff that these particular ADR securities exist in what is known as an "unsponsored" ADR environment. That is, the ADRs representing the underlying shares came about as the result of several bank depositaries who operate such unsponsored programs for the benefit of shareholders without the cooperation of

[1] As of this filing, approximately thirteen (13) market makers are displaying priced or unpriced quotations in the OTCBB for this security. It is the understanding of Nasdaq staff that these same securities have been quoted in NQB's Pink Sheets, a quotation medium not affiliated with the NASD or Nasdaq.