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, NW, Washington, DC 20549. Copies of the submissions, 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 persons, 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal office of the PCX. All submissions should refer to File No. SR–PCX–98–19 and should be submitted by July 6, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[10]

Margaret H. McFarland,

Deputy Secretary.

Exhibit A

Test of the Proposed Rule Change [1]

LEAD MARKET MAKERS

¶ 5181 Lead Market Makers

Rule 6.82(a)–(b)—No change.

(c) Obligations of Lead Market Makers

Each LMM *must* [shall] meet the following obligations:

(1)–(10)—No change.

(11) Maintain a cash or liquid asset position [in the amount] of at *least $350,000, plus $25,000 for each issue over 8 issues that have been allocated to the LMM.* [$100,000 or in an amount sufficient to assume a position of twenty (20) trading units of the security underlying the option the LMM has been allocated, whichever amount is greater.] In the event that two or more LMMs are associated with each other and deal for the same LMM account, this requirement *will* [shall] apply to such LMMs collectively, rather than to each LMM individually;

(12)–(13)—No change.

(d) Rights of Lead Market Makers:

(1)—No change.

(2) *Guaranteed Participation*—No change.

(A) Multiply-traded Issues. If the average daily trading volume in a multiply-traded issue reaches 3,000 contracts at the Exchange *during any three-calendar-month period (measured on a rolling three-calendar-month basis),* [for three consecutive months] and if:

(i) in the case of an issue traded by two options exchanges, the Exchange's *monthly* share of the total multi-exchange customer trading volume in an issue drops from above 70% to below 70%; or

(ii) in the case of an issue traded by three or more options exchanges, the Exchange's *monthly* share of the total multi-exchange customer trading volume in the issue drops from above 45% to below 45%; the Options Allocation Committee *will* [shall] evaluate the LMM's performance in that issue and, based on that evaluation, may reduce the LMM's guaranteed participation in that issue from 50% to 40%.

(B) *Non-multiply-traded Issues.* If the average daily trading volume in a non-multiply-traded issue reaches 3,000 contracts at the Exchange *during any three-calendar-month period (measured on a ''rolling'' three-calendar-month basis)* [for three consecutive months,] the Options Allocation Committee *will* [shall] evaluate the LMM's performance in that issue and, based on that evaluation, may reduce the LMM's guaranteed participation in that issue from 50% to 25%.

(C) Return to Previous Levels of Guaranteed Participation. If the Options Allocation Committee has reduced an LMM's guaranteed participation in an issue pursuant to subsections (A) or (B) above, and average daily trading volume in the issue falls below 3,000 contracts at the Exchange during any three-calendar-month period (measured on a ''rolling'' three calendar month basis), the Options Allocation Committee will evaluate the LMM's performance in that issue and, based on that evaluation, may raise the LMM's guaranteed participation in that issue from 40% to 50% (in a multiply-traded issue) or from 25% to 50% (in a non-multiply-traded issue).

(e)–(g)—No change.

Commentary: .01–.04—No change.

[FR Doc. 98–15824 Filed 6–12–98; 8:45 am]

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[10] 17 CFR 200.30–3(a)(12).

[1] New text is italicized, deleted text is bracketed.

DEPARTMENT OF TRANSPORTATION

Aviation Proceedings, Agreements Filed During the Week Ending June 5, 1998

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

Docket Number: OST–98–3898.
Date Filed: June 2, 1998.
Parties: Members of the International Air Transport Association.
Subject: PTC31 S/CIRC PAC 0047 dated May 29, 1998 Expedited South Pacific Resos 002L (r1) & 015v (r2) Tables—PTC31 S/CIRC Fares 0016 dated May 29, 1998 Intended effective date: expedited July 1, 1998.

Docket Number: OST–98–3929.
Date Filed: June 5, 1998.
Parties: Members of the International Air Transport Association.
Subject: PTC31 Telex Mail Vote 938, Las Vegas-Japan fares r1–10, Correction—Telex TE651, Voting Result—Telex TE654, Intended effective date: July 1, 1998.

Docket Number: OST–98–3930.
Date Filed: June 5, 1998.
Parties: Members of the International Air Transport Association.
Subject: CSC/Reso/001 Dated April 1, 1998, Book of adopted Resos/RPs r1–9, Minutes—CSC/Minutes/002 dated May 12, 1998, Intended effective date: October 1, 1998.

Dorothy W. Walker,

Federal Register Liaison.

[FR Doc. 98–15847 Filed 6–12–98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending June 5, 1998

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–98–3895.
Date Filed: June 1, 1998.
Due Date for Answers, Conforming Applications, or Motions to Modify Scope: June 29, 1998.
Description: Application of Reliant Airlines, Inc. pursuant to 49 U.S.C. Section 41102 and Subpart Q of the Regulations, applies for a certificate of public convenience and necessity authorizing Reliant to conduct interstate charter air transportation of property and mail between points in the United States beginning on or about September 1, 1998.

Docket Number: OST–98–3896.
Date Filed: June 1, 1998.
Due Date for Answers, Conforming Applications, or Motions to Modify Scope June 29, 1998.
Description: Application of Reliant Airlines, Inc. pursuant to 49 U.S.C. Section 41102 and Subpart Q of the

Regulations, applies for a certificate of public convenience and necessity authorizing Reliant to conduct foreign charter air transportation of property and mail between points in the United States and any point(s) outside the United States beginning on or about September 1, 1998.

Docket Number: OST–98–3900.

Date Filed: June 2, 1998.

Due Date for Answers, Conforming Applications, or Motions to Modify Scope: June 30, 1998.

Description: Application of Korean Air Lines Co., Ltd. pursuant to 49 U.S.C. Section 41301 and Subpart Q of the Regulations, applies for an amendment to its foreign air carrier permit to engage in the foreign air transportation between any point or points behind the Republic of Korea and any point or points in the Republic of Korea, via any intermediate point or points, and any point or points in the United States, and beyond the United States to any point or points, with full traffic rights. KAL also requests that the amended permit authorize KAL to engage in charter foreign air transportation pursuant to, and with all other rights available to KAL under, the 1998 Agreement.

Dorothy W. Walker,

Federal Register Liaison.

[FR Doc. 98–15846 Filed 6–12–98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA 98–3791]

New Flyer of America, Inc.; Grant of Application for Decision of Inconsequential Noncompliance

New Flyer of America, Inc., of Crookston, Minnesota, has determined that 115 buses failed to comply with 49 CFR 571.217, Federal Motor Vehicle Safety Standard (FMVSS) No. 217, ''Bus Emergency Exits and Window Retention and Release,'' and has filed an appropriate report pursuant to 49 CFR Part 573, ''Defect and Noncompliance Reports.'' New Flyer petitioned the National Highway Traffic Safety Administration (NHTSA) to be exempted from the notification and remedy requirements of 49 U.S.C. Chapter 301—''Motor Vehicle Safety'' on the basis that the noncompliance is inconsequential to motor vehicle safety.

Notice of receipt of the application was published, with a 30-day comment period, on October 23, 1997, in the **Federal Register** (62 FR 55303). NHTSA received no comments on this application during the 30-day comment period.

FMVSS No. 217, Paragraph S5.2.2.1 requires that buses other than school buses provide an emergency exit area, in total square centimeters, of at least 432 times the number of designated seating positions on the bus. It requires at least that 40 percent of the emergency exit area be distributed on each side of the bus. It also limits the amount of area to 3,458 square centimeters that can be credited for an emergency exit, regardless of exit area.

During the 1995–1997-model years, New Flyer produced 115 transit buses, models D35LF (Diesel 35 ft Low Floor) and C35LF (CNG 35 ft Low Floor) which do not comply with FMVSS No. 217. The subject transit buses have only one emergency exit on the right side of the bus instead of the two, as required by the standard.

New Flyer supported its application for an inconsequential noncompliance with the following:

1. The buses exceed the exit total area requirements on all sides. The left side has two exit windows for a total of 25,000 square centimeters or 4.67 times the required area. The right side has one exit window with 12,500 square centimeters of exit area or 2.33 times the required area. The standard does not allow any one exit to claim more than 3,458 square centimeters. Therefore, the right side of the bus does not have the required number of emergency exits although it exceeds the required area. Each bus has two roof exits, where the standard only requires one roof exit. Overall, the buses have 3.28 times the required exit area.

2. Retrofitting these buses to comply with the standard would require modifying and retesting the existing exit door or replacing the right side window with an emergency exit window, which is not possible because the wheel housing limits accessibility. The seating position relative to the window allows for an easy exit. If the window was accidentally opened, there is potential for someone to fall out of the bus. Modifying the exit door to conform to the release force requirements is a possible solution, but would require redesigning the door. Considering the bus already has 3.28 times the required exit area, modifying the buses to include an additional exit would not add to motor vehicle safety.

3. New Flyer does not believe that the buses are a safety hazard because they have excessive accessible emergency exit area. These buses are operated by transit authorities with trained professional drivers; none are operated by the general public. New Flyer has a close relationship with the operators of the buses and is continuously informed of any problems or concerns, and has never had an incident or complaint involving the number or location of emergency exits.

NHTSA considers the safety of the public in transit buses to be of great importance because these buses are intended for daily service and therefore carry hundreds of people each day. In considering whether to grant or deny this petition, the agency looked at the various conditions that would require an emergency evacuation. The agency identified three types of situations in which the evacuation of a bus may be necessary:

1. *Minor crashes or mechanical failures.* These may result in all passengers leaving the bus. Since evacuation time is not a major concern, all passengers would likely exit from one of the service doors.

2. *Major crashes.* It is likely to be important for all bus passengers to leave the bus. Evacuation is important, but conditions indicate that it can be done in an orderly fashion. Again, all of the passengers would likely exit from either service door.

3. *Catastrophic crashes (e.g., fires or submersions).* All bus passengers must evacuate the bus as quickly as possible. Evacuation time is the major concern, passengers would likely exit from any opening available.

The primary safety purpose of requiring the 40 percent distribution of emergency exits area on each side of a bus is to ensure that passengers have sufficient emergency exit openings to escape, should the bus become involved in an incident where the bus would need to be evacuated quickly. This provision in FMVSS No. 217 ensures that emergency exits are distributed throughout the bus and not all on one side. These buses have two emergency exit windows on the left side, one emergency exit window on the right side and two roof exits. Thus, the buses have the minimum number of emergency exits required by FMVSS No. 217. However, these exits were not distributed properly. Instead of a second emergency exit on the right side, these buses have an additional roof exit. This additional roof exit would provide for much needed emergency exit openings should the bus occupants need to evacuate due to a rollover incident. While this additional roof exit is not required by the standard, it does provide for an additional level of safety in the above situation.

In consideration of the foregoing, NHTSA has decided that the applicant has met its burden of persuasion that the noncompliance it described above is inconsequential to motor vehicle safety. Accordingly, its application is granted, and the applicant is exempted from providing the notification of the noncompliance that is required by 49 U.S.C. 30118, and from remedying the