

the proposal from either notice publication.

The Commission issued an order on January 27, 1995, approving the proposed rule changes referenced above.⁵

II. Discussion

As explained in the Approval Order, the purpose of the rule changes is to ensure that all broker-dealers registered in the United States report open short positions to an SRO. The proposed rule changes emanated from an initiative by the SROs, as Intermarket Surveillance Group ("ISG") members, to ensure uniform short position reporting in U.S. traded securities.

Substantively, the new reporting requirements will continue to include stocks and warrants, including odd-lots, in each such security traded on a United States securities exchange or association. Further, the reports will continue to include both customer and proprietary positions.

At the time the Approval Order was published, the Commission understood that broker-dealers with multiple proprietary accounts netted such accounts for purposes of reporting their short positions. In the interim, however, it has come to light that industry practice varies and that the preferred method is not to net multiple accounts. Specifically, the NYSE indicated in a letter submitted to the Commission on March 1, 1995, that "firms will use the gross method of reporting short interest positions rather than netting." The remaining ISG participants that adopted the rules at hand have confirmed that industry practice should not be disrupted for purposes of reporting firm short interest positions. The NYSE requested that the Approval Order be modified to reflect industry practice at the time of the rule filing.⁶

The Commission notes that the method of calculation was not a determinative factor in the decision to approve the short interest reporting rules. Rather, the Commission's goal was to assure uniformity in the calculation of short positions to provide comparable information to the marketplace. In this regard, the Commission has not identified advantages of one method over the other and agrees that, consistent with industry practice, short interest positions for both like and non-like accounts may be

reported gross for purposes of the new reporting requirements.

The Approval Order included an example to illustrate the method, net reporting, which the Commission understood to be the industry standard.⁷ The modification requested by the NYSE would be reflected in this example by providing that the firm would not net its proprietary accounts.⁸

The Commission finds that the clarification does not alter the statutory basis relied upon in the Approval Order. The Commission continues to believe, therefore, that the short interest position reporting rules and methodology for such calculation as outlined herein is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) and 15A.⁹ In particular, the Commission believes the proposal is consistent with the Sections 6(b)(5) and 15A(b)(6) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public, in that the proposal should enhance the ability of the SROs, both collectively and individually, to monitor short interest reporting, and to reinforce their regulatory and surveillance capabilities in this area.

III. Conclusion

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the Approval Order is hereby revised as described above.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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⁷ See Approval Order, footnote 7.

⁸ The example in the Approval Order concerns a broker-dealer with three accounts—account 1 has short interest of 100 shares, account 2 has short interest of 225 shares and account 3 is long 150 shares. As indicated in the Approval Order, if the three accounts are for different customers then the broker-dealer shall report a gross short interest of 325 (not netted to 175). In contrast to the Approval Order, however, if account 1 is a firm customer account, and accounts 2 and 3 are firm proprietary accounts, the broker-dealer would still report total short interest of 325 (not netted to 75), as the broker-dealer would not net the firm's proprietary positions but would report a total gross short position (customer 100 and firm 225).

⁹ 15 U.S.C. 78f(b) and 78o-3 (1988).

¹⁰ 15 U.S.C. 78s(b)(2) (1988).

¹¹ 17 CFR 200.30-3(a)(12) (1994).

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

ACTION: Notice of reporting requirements submitted for review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATE: Comments should be submitted within 30 days of this publication in the **Federal Register**. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

COPIES: Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Cleo Verbillis, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416, Telephone: (202) 205-6629.

OMB Reviewer: Donald Arbuckle, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

Title: Program Evaluation SBA 7(a) Loan Program.

Form No.: N/A.

Frequency: On Occasion.

Description of Respondents: 7(a) loan applicants.

Annual Responses: 1,700.

Annual Burden: 312.

Dated: March 2, 1995.

Calvin Jenkins,

Assistant Administrator for Administration.

[FR Doc. 95-6251 Filed 3-13-95; 8:45 am]

BILLING CODE 8025-01-M

[Declaration of Disaster Loan Area #2760; Amendment #3]

California; Declaration of Disaster Loan Area

The above-numbered Declaration is hereby amended, effective February 27, 1995, to include Kings County in the State of California as a disaster area due to damages resulting from winter storms causing flooding, landslides, mud and

⁵ Securities Exchange Act Release No. 35287 (January 27, 1995), 60 FR 6743 (February 3, 1995) ("Approval Order").

⁶ See letter from Salvatore Pallante, Senior Vice President, Member Firm Regulation, NYSE, to Holly Smith, Associate Director, Division of Market Regulation, Commission, dated March 1, 1995.

debris flows beginning on January 3, 1995, and continuing.

All counties contiguous to Kings County have previously been declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is March 13, 1995, and for economic injury the deadline is October 10, 1995.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: March 8, 1995.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 95-6250 Filed 3-13-95; 8:45 am]

BILLING CODE 8025-01-M

[License No. 01/71-0363

Notice of Issuance of a Small Business Investment Company License

On November 7, 1994, a notice was published in the **Federal Register** (59 FR 55522) stating that an application had been filed by Pioneer Ventures Limited Partnership II, Boston, Massachusetts with the Small Business Administration (SBA) pursuant to Section 107.102 of the Regulations governing small business investment companies (13 CFR 107.102 (1994)) for a license to operate as a small business investment company.

Interested parties were given until close of business on November 22, 1994 to submit their comments to SBA. No comments were received. Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 01/71-0363 on February 6, 1995, to Pioneer Ventures Limited Partnership II to operate as a small business investment company.

The Licensee will have initial private capital of \$2.6 million and has commitments for additional capital which are expected to reflect total capital of \$15.0 million when fully invested. The Licensee will be owned by institutional investors. Limited partners with a larger than 10% partnership interest include the Massachusetts Bay Transportation Authority Retirement Fund, Middlesex County Contributory Retirement System, The Pioneer Group, Inc., Worcester County Contributory Retirement System, and Cambridge Retirement System.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: March 7, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-6225 Filed 3-13-95; 8:45 am]

BILLING CODE 8025-01-M

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

**Negotiation of Chilean Accession to
the North American Free Trade
Agreement**

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of negotiations regarding Chile's entry into the North American Free Trade Agreement (NAFTA), notice of goods and services that may be covered by such negotiations, and of public hearings and request for public comment concerning such negotiations.

SUMMARY: This publication gives notice that the United States, along with the Governments of Canada and Mexico, expects to undertake negotiations with the Republic of Chile regarding its accession to (i.e., inclusion in) the NAFTA. This publication also (1) identifies the range of Chilean articles (products) for which U.S. tariffs and non-tariff measures may be reduced or eliminated as a result of the negotiations; (2) provides notice of a request by the United States Trade Representative (the USTR) to the International Trade Commission (Commission) for advice concerning the economic effects of Chilean accession; and (3) gives notice that the Trade Policy Staff Committee (TPSC) invites public comments on, and will conduct public hearings concerning, the negotiations.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning public comments or public hearings, contact Carolyn Frank, Executive Secretary, Trade Policy Staff Committee, Office of the USTR, (202) 395-9557. All other questions should be directed to Jane Earley, Director for Chilean Affairs, (202) 395-5190, or James Southwick, Assistant General Counsel, (202) 395-7203.

SUPPLEMENTARY INFORMATION:

1. Background

The NAFTA entered into force between the United States, Canada, and Mexico on January 1, 1994. On December 11, 1994, President Clinton, and the heads of state of Canada, Chile, and Mexico agreed to begin the process by which Chile will accede to the NAFTA. The four governments plan to

hold a ministerial meeting in May, 1995, concerning Chile's accession, and substantive negotiations may begin shortly thereafter.

2. Articles That May Be Considered in Trade Negotiations

All articles provided for in the Harmonized Tariff Schedule of the United States (HTSUS) that are products of Chile will be considered for duty reduction or elimination and for the elimination or reduction of non-tariff barriers.

3. Advice From the U.S. International Trade Commission

On March 7, 1995, under authority delegated by the President, the USTR requested the Commission, pursuant to section 332(g) of the Tariff Act of 1930 (codified at 19 U.S.C. 1332(g)), to provide advice to the President, with respect to each article listed in the HTSUS, as to the probable economic effect of (1) providing duty-free treatment for imports of products of Chile on industries in the United States producing like or directly competitive articles and on consumers; and (2) eliminating U.S. non-tariff measures that are inconsistent with the NAFTA. In addition, the USTR requested advice on the probable economic effect on U.S. exports to Chile of (3) the removal of Chilean import duties; and (4) the removal of Chilean nontariff measures that are inconsistent with the NAFTA. Finally, the USTR requested the Commission to provide a report on (5) the nature and extent of services transactions between the United States and Chile, the key U.S. services industries that export services to Chile, the principal barriers impeding the participation of U.S. service providers in the Chilean market, and the effect of such barriers on U.S. services providers.

The USTR requested the Commission to provide its advice as soon as possible, but no later than six months after the date of the letter.

4. Public Comments and Testimony

In conformity with TPSC regulations (15 CFR part 2003), the Chairman of the TPSC invites written comments and/or oral testimony of interested persons in a public hearing on the desirability and economic effects of Chilean accession to the NAFTA.

Comments are particularly invited on:

(a) Economic costs and benefits to U.S. producers and consumers of removal of all tariff barriers to trade between Chile and the United States and between and among Chile and the current NAFTA parties and, in the case of articles for which immediate