

amends OCC Rule 604(d)(1) to increase the valuation rate that OCC applies to equity and corporate debt securities deposited with OCC under the valued securities program from 60 percent to 70 percent.

OCC Rule 604(d) permits OCC's clearing members to deposit as margin collateral common and preferred stock and corporate bonds which meet certain standards. Common and preferred stock must have a market value of greater than \$10 per share and must either be (i) traded on a national securities exchange and have last sale reports collected and disseminated pursuant to a consolidated transaction reporting plan or (ii) traded in the over-the-counter market and designated as National Market System Securities pursuant to Commission Rule 11Aa2-1.⁴ Corporate bonds must (i) be listed on a national securities exchange and not be in default, (ii) have a current market value that is readily determinable on a daily basis, and (iii) be rated in one of the four highest rating categories by a nationally recognized statistical rating organization.⁵

II. Discussion

Section 17A(b)(3)(F) of the Act⁶ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in its custody or control or for which it is responsible. The Commission believes that the effective functioning of the valued securities program since its inception in 1985 and OCC's various financial safeguards and risk monitoring systems, taken as a whole,⁷ suggest that an increase from 60 percent to 70 percent in the valuation rate for debt and equity securities deposited as margin collateral should not detract from OCC's ability to safeguard funds and securities in its custody or control or for which it is responsible.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the

Release Nos. 33893 (April 14, 1994), 59 FR 18427 [File No. SR-OCC-92-13] (order granting accelerated approval to proposed rule change) and 31169 (September 10, 1992), 57 FR 43041 [File No. SR-OCC-92-13] (notice of filing of proposed rule change).

⁴ 17 CFR 240.11Aa2-1.

⁵ An issue that is suspended from trading in its primary market, or subject to special margin requirements under the rules of its primary market because of volatility, lack of liquidity or similar characteristics may not be deposited with OCC. OCC Rule 604(d)(1).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ OCC financial safeguards include, for example, the valued securities program's eligibility standards for equity and corporate debt securities and OCC's authority to collect intraday margin calls as needed.

Act and in particular with the requirements of 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-97-09) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF STATE

[Public Notice No. 2611]

Shipping Coordinating Committee; Subcommittee on Ocean Dumping; Notice of Meeting

The Subcommittee on Ocean Dumping of the Shipping Coordinating Committee will hold an open meeting on October 21, 1997 from 1:30 pm to 3:30 pm to obtain public comment on the issues to be addressed at the October 27-31, 1997 Nineteenth Consultative Meeting of the Contracting Parties to the London Convention, which is the global international treaty regulating ocean dumping. The meeting will also review the results of the Twentieth Scientific Group Meeting of the London Convention held in May 1997.

The meeting will be held at Environmental Protection Agency offices located at the Fairchild Building, 499 South Capitol Street SW, Washington, DC 20003, Room 709. Interested members of the public are invited to attend, up to the capacity of the room.

For further information, please contact Mr. John Lishman, Chief, Marine Pollution Control Branch, telephone (202) 260-1952.

Dated: September 25, 1997.

Russell A. LaMantia,

Chairman, Shipping Coordinating Committee.

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TENNESSEE VALLEY AUTHORITY

Privacy Act of 1974; System of Records

AGENCY: Tennessee Valley Authority.

ACTION: Amendment of systems of records to include new categories of individuals and new routine uses.

SUMMARY: In accordance with the Privacy Act (5 U.S.C. 552a(e)(4)), the Tennessee Valley Authority (TVA) is issuing notice of our intent to amend the systems of records entitled TVA-2 "Personnel Files—TVA" and TVA-11 "Payroll Records—TVA" to include new categories of individuals for TVA-2 and new routine uses for TVA-2 and TVA-11. We invite public comment on this publication.

EFFECTIVE DATE: The changes will become effective as proposed, on November 10, 1997, unless comments which would warrant our preventing the changes from taking effect are received on or before 30 days from the date of this notice.

ADDRESSES: Interested individuals may comment on this publication by writing to Wilma H. McCauley, Privacy Act Officer, Tennessee Valley Authority, 1101 Market Street (WR 4Q), Chattanooga, Tennessee 37402-2801. All comments received will be available for public inspection at that address.

FOR FURTHER INFORMATION CONTACT: Wilma H. McCauley, (423) 751-2523.

SUPPLEMENTARY INFORMATION:

Discussion of Proposed Additions to Routine Use

Pursuant to the Pub. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, TVA will disclose data from its Personnel Files and Payroll Records to the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services for use in its Federal Parent Locator System (FPLS) and Federal Tax Offset System, DHHS/OCSE No. 09-90-0074. Information on this system was last published at 61 FR 38754, July 25, 1996.

FPLS is a computerized network through which States may request location information from Federal and State agencies to find non-custodial parents and/or their employers for purposes of establishing paternity and securing support.

Effective October 1, 1997, the FPLS will be enlarged to include the National Directory of New Hires, a database containing information on employees commencing employment, quarterly wage data on private and public sector employees, and information on unemployment compensation benefits. Effective October 1, 1998, the FPLS will be expanded to include a Federal Case Registry. The Federal Case Registry will contain abstracts on all participants involved in child support enforcement cases. When the Federal Case Registry is instituted, its files will be matched on

²⁸ 7 CFR 200.30-3(a)(12).