NUCLEAR REGULATORY COMMISSION

[Docket No. 50–461]

Illinois Power; Clinton Power Station, Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF–62, issued to Illinois Power (the licensee), for operation of the Clinton Power Station located in DeWitt County, Illinois.

Environmental Assessment

Identification of the Proposed Action

The proposed action is in accordance with the licensee's application for amendment dated May 4, 1998, and would incorporate Technical Specifications requirements for the protection systems for the new static VAR compensators being installed onsite to address degraded electrical grid voltage.

The Need for the Proposed Action

The proposed action is needed as part of the solution to address degraded electrical grid voltage at Clinton Power Station.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that the change will improve the plant's capability to handle degraded grid voltage. The change will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in the allowable occupational or public radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does involve features located entirely within the restricted area as defined in 10 CFR Part 20. It does not affect nonradiological plant effluents and has no other nonradiological environmental impact.

Accordingly, the Commission concludes that there are no significant environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no significant environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for the Clinton Power Station (NUREG–0854, May 1982).

Agencies and Persons Consulted:

In accordance with its stated policy, on June 11, 1998, the staff consulted with the Illinois State official, F. Nizidlek of the Illinois Department of Nuclear Safety, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated May 4, 1998, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Vespasian Warner Public Library, 310 N. Quincy Street, Clinton, IL 61727.

Dated at Rockville, Maryland, this 7th day of August 1998.

For the Nuclear Regulatory Commission.

Jon B. Hopkins,

Senior Project Manager, Project Directorate III–3, Division of Reactor Projects—III/IV, Office of Nuclear Reactor Regulation.

[FR Doc. 98–21758 Filed 8–12–98; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[File No. 5001–1]

Order of Suspension of Trading; Eventemp Corporation

August 10, 1998.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Eventemp Corporation (''Eventemp''), a Scottsdale, Arizona-based company which holds itself out to be the developer of a self contained climate control system for automobiles. There are questions regarding the accuracy and adequacy of publicly disseminated information concerning, among other things, a purported contract with a national car dealership group to purchase the climate control system, and other orders and commitments for the system.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EST, August 10, 1998 through 11:50 p.m. EST, on August 21, 1998.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–21815 Filed 8–11–98; 9:37 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–40298; File Nos. SR-Amex–98–28; SR–CBOE–98–32; and SR-Phlx–98–33]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Related Amendments by the American Stock Exchange, Incorporated, the Chicago Board Options Exchange, Incorporated and the Philadelphia Stock Exchange, Incorporated Relating to the Listing and Trading of Options on Telebras Holding Company Depositary Receipts SM

August 3, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 [1]

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

(''Act'') and Rule 19b–4[2] thereunder, on July 10, 1998, July 16, 1998 and July 28, 1998, the Chicago Board Options Exchange, Incorporated (''CBOE''), the American Stock Exchange, Incorporated (''Amex'') and the Philadelphia Stock Exchange, Incorporated (''Phlx''), respectively, filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule changes, as described in Items I and II below, which Items have been prepared by the self-regulatory organizations (''SROs''), to permit the listing and trading of standardized equity options on Telebras Holding Company Depositary Receipts℠ (''HOLDRs''),[3] as described below.

On July 28, 1998 and July 31, 1998 the Amex and the CBOE, respectively submitted amendments to their proposed rule changes.[4] This order approves the proposed rule changes, and Amex Amendment No. 1 and CBOE Amendment No. 1 on an accelerated basis.

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

The SROs propose to list and trade standardized equity options on HOLDRs, as described below. The texts of the proposed rule changes are available at the Office of the Secretary, Amex, CBOE and Phlx, respectively, and at the Commission.

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

In their filings with the Commission, the SROs included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments they received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below and summaries of the most significant aspects are set forth in sections (A), (B), and (C) below.

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

1. Purpose

Telecommunicacoes Brasileiras S.A. (''Telebras'') is a corporation organized under the laws of the Federative Republic of Brazil. Prior to July 28, 1998, Telebras was wholly-owned by the government of Brazil. HOLDRs are American Depositary Receipts (''ADRs'') intended to represent the American Depositary Shares (''ADSs'') of Telebras currently listed on the NYSE, until such time as Telebras spins off twelve companies (''Reorganization'').[5] More specifically, HOLDRs are designed to provide current Telebras ADS owners with a single, exchange traded instrument that is intended to represent, as each spin-off occurs in connection with the Reorganization, (whether concurrently or in tranches), the ADSs of each spin-off company (''Spin-Off ADSs'') and Telebras ADSs (collectively with the Spin-Off ADSs, known as the ''Securities'') until the Telebras ADSs are extinguished. After the Telebras ADSs are extinguished, HOLDRs will represent all the Spin-Off ADSs. HOLDRs will be a separately registered security, with a separate CUSIP number, from each of the Spin-Off ADSs.

In order to purchase HOLDRs before the Reorganization, existing beneficial owners of Telebras ADSs may elect to deposit their Telebras ADSs with The Bank of New York as depositary (''Depositary'') in return for one HOLDR for each Telebras ADS as deposited.[6] After the spin-offs occur, either concurrently or in tranches, beneficial owners of Telebras ADSs also may deposit their Telebras ADSs (until they are extinguished) with the Depositary, along with their newly acquired Spin-Off ADSs, in order to receive HOLDRs. The beneficial owners of the HOLDRs registered on the books of the Depositary (''Owners'') will only be able to trade the HOLDRs themselves, which, in effect, will constitute a trade of a basket of the Securities. If an Owner of HOLDRs desires to buy or sell some but not all of the Securities the HOLDRs represent at that time.

Currently, the SROs provide for the trading of standardized equity options overlying the Telebras ADSs. Telebras is the most active stock in Brazil, trading 22 million shares per day and accounting for 55% of the total value of trade on the Bolsa de Valores de Sao Paolo (''Bovespa''). Prior to July 28, 1998, Telebras ADSs were trading at approximately $115 per share with 96 million ADSs outstanding and 40,000 holders, with average daily trading volume of 3.5 million shares, and annual volume during the preceding twelve months equal to approximately 892 million shares.[7] Since July 28, 1998, Telebras ADSs have been trading at approximately $125 per share with an average daily trading volume of approximately 8.2 million shares.[8] In addition, options on Telebras ADSs are the sixth most active option class in the U.S., with an average daily trading volume of 23,400 contracts and an open interest of 415,000 contracts.

The SROs now propose to trade options on HOLDRs pursuant to Amex Rule 915. CBOE Rule 5.3 and Phlx Rule 1009 (collectively, the ''SRO Rules''), respectively.[9] The SROs, however, have requested to rely upon the trading volume and market price history of Telebras ADSs for purposes of satisfying the associated requirements under the SRO Rules. Commentary .01 of the SRO Rules[10] requires that, absent exceptional circumstances, at the time the SRO selects an underlying security for options transactions, the following guidelines with respect to the issuer shall be met: (1) there are a minimum of 7 million shares of the underlying securities which are owned by persons other than those required to report their security holding under Section 16(a) of the Act (''Public Ownership Requirement''); (2) there are a minimum of 2,000 holders of the underlying security (''Public Holder Requirement''); (3) there is trading volume (in all markets in which the underlying security is traded) of a least 2.4 million shares during the preceding 12 months (''Volume Requirement''); (4) the market price per share of the underlying security has been at least $7.50 for the

[2] 17 CFR 240.19b–4.

[3] ''HOLDRs'' and ''Holding Company Depositary Receipts'' are service marks of Merrill Lynch & Co., Inc. (''Merrill Lynch'').

[4] See Letter from Claire P. McGrath, Vice President and Special Counsel, Amex to Michael Walinskas, Deputy Associate Director, Division of Market Regulation (''Division'') SEC dated July 28, 1998 (''Amex Amendment No. 1'') and Letter from Eileen Smith to Michael Walinskas, Deputy Associate Director, Division, SEC, July 31, 1998 (''CBOE Amendment No. 1''). Amex Amendment No. 1 clarifies the procedures to be followed in the event that a surveillance sharing arrangement with Brazil ceases to exist. CBOE Amendment No. 1 clarifies, among other things, the price and trading volume requirements that HOLDRs must satisfy in order to permit options trading overlying HOLDRs

[5] The government of Brazil divested its interest in Telebras through a public auction in Brazil that commenced on July 28, 1998. Subsequent to the auction, Telebras will be divided into 12 spin-off companies. After all 12 spin-offs are completed, Telebras, and therefore Telebras ADSs, may continue to exist for a limited period of time, but both eventually will be extinguished. The NYSE listed HOLDRs on July 28, 1998.

[6] A copy of the Deposit Agreement and Form F–6 (Registration No. 333–8840) has been filed with the Commission, declared effective on July 21, 1998 and is publicly available.

[7] Data provided by Bridge Data Company for the period July 1, 1997 through June 30, 1998.

[8] Data provided by Reuters and Bloomberg L.P. for the period after July 28, 1998.

[9] The SROs have already filed certification with the Options Clearing corporation for options on HOLDRs.

[10] The Amex and Phlx Rules refer to ''Commentaries'' while the CBOE Rules refer to ''Interpretations and Policies.'' For purposes of this order, the term ''Commentary'' will be used for all SRO Rules.

majority of business days during the three calendar months preceding the date of selection (''Price Requirement''); (5) the issuer is in compliance with any applicable requirements of the Act. Unless the SROs' request to rely upon the price history of Telebras ADSs in order to satisfy the Price Requirement applicable to options on HOLDRs is approved, the SROs would be required to wait at least three months prior to listing options on HOLDRs. The SROs believe, however, that it is essential that options on HOLDRs be provided without significant delay so that investors who have exchanged their Telebras ADSs for HOLDRs can use options to manage the risks of their positions in HOLDRs.

Commentary .03 of the SRO Rules requires that with respect to an ADR, an effective surveillance sharing arrangement be in place with the proper regulatory authority in the country where the security underlying the ADR trades or, as one of several alternatives, as the Commission otherwise authorizes the listing. The SROs note that the Commission has entered into a Memorandum of Understanding (''MOU'') with the Comissao de Valores Mobiliarios (''CVM'') in Brazil. In addition, the Amex represents that it has a surveillance sharing agreement (''SSA'') with the Bovespa. The CBOE represents that it has an SSA with the Bovespa and the Rio de Janeiro Stock Exchange (''RJSE'').[11] The Phlx does not have an SSA with the Bovespa or the RJSE. If the MOU ceases to exist, each SRO represents that it will contact the Commission immediately in order to enable the Commission to determine what measures should be taken with regards to the listing and trading of options on HOLDRs.[12]

Commentary .05(d) of the SRO Rules, which applies to options on securities issued during a restructuring transaction that are sold in a public offering or pursuant to a rights distribution (''Restructure Security''), provides that an SRO may ''look back'' to the ''original'' security regarding the Public Ownership Requirement and Public Holder Requirement subject to certain conditions enumerated in the SRO Rules. Commentary .05(d) also provides that an SRO may certify that the market price of the Restructure Security meets the Price Requirement by replying on the price history of the original security, provided that the Restructure Security has traded ''regular way'' on an exchange or automatic quotation system for at least five trading days immediately preceding the date of selection and has a market price of at least $7.50. Finally, Commentary .05(d) provides that an SRO may certify that the trading volume of the Restructure Security satisfies the Volume Requirement only if the trading volume in the Restructure Security, without reliance on the original security, has been at least 2.4 million shares during a period of 12 months or less ending on the date of the Restructure Security is selected for options trading.[13]

Initial reports indicate that at least 40 million shares of HOLDRs have been issued, with at least 2,000 public holders,[14] and that HOLDRs have been trading near the current market price for Telebras ADSs after July 28, 1998 (approximately $125) with an average daily trading volume of approximately 3.4 million shares.[15] In addition, the SROs state that although HOLDRs is a unique product, it resembles shares issued during a restructuring transaction. Therefore, the SROs believe that they should be allowed to rely on the price history of the original security. Accordingly, the SROs represent that HOLDRs will comply with the requirement that its market price be at least $7.50 for at least 5 trading days immediately prior to the listing date in order to rely upon the market price history of the original security to satisfy the three month Price Requirement. Thus, the SROs assert that options should be permitted to be listed on HOLDRs on the sixth day following the five day Price Requirement Period, provided that all other options listing criteria, including that HOLDRs has traded 2.4 million shares, have been met.[16]

The SROs believe that review under their respective rules will result in the establishment of position and exercise limits for the options overlying HOLDRs equal to 25,000 contracts on the same side of the market. Prior to the commencement of trading, the SROs will issue an Information Circular advising their concerning the proposed options on Telebras HOLDRs.

(2) Statutory Basis

The basis under the Act of the proposed rule changes is the requirement under Section 6(b) of the Act, and Section 6(b)5 in particular,[17] that an exchange have rules that are designed to promote just and equitable principals of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. The SROs believe that the proposed rule changes satisfy the requirements of Section 6(b) in general, and Section 6(b)(5) in particular, because the expedited trading of options on HOLDRs will allow investors currently holding Telebras ADSs, and desiring to deposit those shares to receive HOLDRs, to continue to hedge their respective positions in Telebras ADSs by opening offsetting positions in HOLDRs options.

B. Self-Regulatory Organizations Statement on Burden on Competition

The SROs do not believe that the proposed rule change will impose any inappropriate 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.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

For the reasons discussed below, the Commission finds that the SROs' proposal are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act, which requires an exchange to have rules designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest.[18]

[11] The Amex makes this representation in Amex Amendment No. 1 and the CBOE makes this representation in CBOE Amendment No. 1.

[12] In the case of the Amex and CBOE, if the SSAs cease to exist but the MOU is still effective, they are not required to notify the Commission.

[13] The Restructure Security cannot piggyback upon the trading volume of the original security. Accordingly, the SROs cannot select a Restructure Security for options listing until 2.4 million shares of the Restructure Security actually have traded.

[14] Data provided by Merrill Lynch. See CBOE Amendment No. 1.

[15] Data provided by Reuters and Bloomberg L.P.

[16] Phone call between Nadita Yagnik, Counsel, Phlx and Marianne Duffy, Special Counsel, Division, SEC on August 3, 1998 and phone call between Scott Van Hatten, Legal Counsel, and Marianne Duffy, Special Counsel, Division, SEC on August 3, 1998.

[17] 15 U.S.C. 78f(b)(5).

[18] Pursuant to section 6(b)(5) of the Act, the Commission must predicate approval of any new securities product upon a finding that the introduction of such product is in the public interest. Such a finding would be difficult with respect to a warrant that served no hedging or other

Continued

As the Commission has previously stated,[19] it is necessary for securities to meet certain minimum standards regarding both the quality of the issuer and the quality of the market for a particular security to become options eligible. The Commission believes that these standards are imposed to ensure that those issuers upon whose securities options are to be traded are financially sound companies whose trading volume, market price, number of holders and public ownership of shares are substantial enough to ensure adequate depth and liquidity to sustain options trading that is not readily susceptible to manipulation. The Commission also recognizes that under Commentary .01 of the SRO Rules, investors may be precluded for a significant period (generally, the three calendar month period required to meet the Price Requirement) from employing an adequate hedging strategy involving options on newly issued securities such as those issued during an initial public offering or rights distribution.

As the SROs observe in their filings, an alternate method of meeting equity option listing standards has been established for securities issued in connection with a spin-off, reorganization, restructuring or similar corporate transaction.[20] These alternate standards facilitate the earlier listing of options on Restructure Securities by permitting an SRO to determine whether the Restructure Security satisfies the Volume Requirement and Price Requirement by reference to the trading volume and market price history of an outstanding equity security previously issued by the issuer of the Restructure Security.[21] While such criteria are not directly applicable to the listing of options on HOLDRs, the CBOE notes that HOLDRs are being issued as a result of a corporate restructuring. The SROs believe that the price history of Telebras ADSs should be allowed to be used to determine compliance with the Price Requirement since HOLDRs is designed to replicate Telebras ADSs at least until the spin-offs occur.[22] The SROs also originally asserted that the trading volume of Telebras ADSs should be used to determine the Volume Requirement but have now amended their proposals to represent that HOLDRs must trade 2.4 million shares prior to listing options thereon.[23]

The Commission believes that it is appropriate for the SROs to deem the Price Requirement satisfied for the listing of options on HOLDRs if HOLDRs has a closing price of at least $7.50 for at least five trading days since its issuance.[24] This conclusion is based on the Commission's determination that HOLDRs is designed to track the price of Telebras ADSs and/or the Spin-Off ADSs. It is extremely likely that HOLDRSs would independently meet the Price Requirement over the next three months.[25] Nevertheless, permitting the use of Telebras ADS price history to meet the Price Requirement will allow the desirable result of permitting Owners of HOLDRs to be able to hedge their exposure sooner through a single overlying options product. Finally, the Commission notes that requiring actual five day price history of HOLDRs prior to listing options thereon, further ensures that the market is sufficient to support options trading and is not subject to manipulation.

The Commission's approval of these proposals is also based on the fact that, apart from the Price Test, all other options listing criteria will be met prior to the listing of options on HOLDRs. In this regard, the Commission notes that initial reports indicate that HOLDRs has satisfied the requirements of Commentary .05(d) of the SRO Rules in that at least 40 million shares of HOLDRs have been issued, with at least 2,000 public holders,[26] and that HOLDRs has been trading near the current market price for Telebras ADSs after July 28, 1998 (approximately $125) with an average daily trading volume of approximately 3.4 million shares.[27]

In addition, as previously stated, Commentary .03 of the SRO Rules requires that with respect to an ADR, an affective surveillance sharing arrangement be in place with the proper regulatory authority in the country where the security underlying the ADR trades or, as one of several alternatives, as the Commission otherwise authorizes the listing. In evaluating new derivative instruments, the Commission, consistent with the protection of investors, considers the degree to which the derivative instrument is susceptible to manipulation. The ability to obtain information necessary to detect and deter market manipulation and other trading abuses is a critical factor in the Commission's evaluation. It is for this reason that the Commission requires that there be an SSA in place between an exchange listing or trading a derivative product and the exchanges trading the stocks underlying the derivative contract that specifically enables officials to survey trading in the derivative product and its underlying stocks.[28] Such agreements provide a necessary deterrent to manipulation because they facilitate the availability of information needed to fully investigate a potential manipulation if it were to occur. With regards to HOLDRs, these agreements are especially important to facilitate the collection of necessary

economic function, because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns.

[19] See Securities Exchange Release No. 37011 (March 22, 1996) 61 FR 14177 (March 29, 1996) (order approving proposed rule changes relating to listing standards for options on securities issued in a reorganization transaction pursuant to a public offering or a rights distribution).

[20] The Commission notes that there is a distinction in treatment of options overlying securities issued to existing shareholders in a spin-off, reorganization or restructuring and options overlying securities issued through a public offering or rights distribution. Specifically, options overlying securities issued pursuant to a public offering or rights distribution cannot be listed until the market price of the Restructure Security has been at least $7.50 for at least five trading days immediately preceding the selection date, while options overlying securities issued to existing shareholders in a spin-off, reorganization or restructuring can ''look back'' to the ''original'' security to meet the Price Requirement without waiting five trading days.

[21] These alternate criteria also provide special provisions for evaluating the distribution of shares of a Restructure Security for purposes of meeting the Public Ownership Requirement and Public Holder Requirement.

[22] Although pages 7 and 8 of the Phlx filing represent that the Phlx alternatively argues that options on HOLDRs could be listed and traded on the day that the NYSE listed HOLDRs for trading, the Phlx has agreed to such language. Phone conversation between Nandita Yagnik, Counsel, Phlx and Marianne H. Duffy, Special Counsel, Division, SEC on July 31, 1998.

[23] The Commission notes, however, that holders of Telebras ADSs are not required to deposit their Telebras ADSs for HOLDRs. Therefore, the actual number of outstanding shares of, and public investors in, HOLDRs could not be determined with certainty for purposes of the Public Ownership Requirement and Public Holder Requirement of the SRO Rules, prior to the date that HOLDRs was listed on the NYSE. The Commission also notes that it is for this reason, among others, that Commission would not consider it permissible for the SROs to list and trade options on HOLDRs on the day that the NYSE listed HOLDRs.

[24] This approach incorporates the price history of Telebras ADSs for the prior measured period. Telebras ADSs have traded well in excess of $7.50 per share for the prior three months.

[25] As previously noted, HOLDRs has traded at approximately $125 per share since July 28, 1998.

[26] Supra note 14.

[27] Supra note 15.

[28] The Commission believes that the ability to obtain relevant surveillance information, including, among other things, the identity of the ultimate purchasers and sellers of securities, is an essential and necessary component of an SSA. An SSA should provide the parties thereto with the ability to obtain information necessary to detect and deter market manipulation and other trading abuses. Consequently, the Commission generally requires that an SSA require that the parties to the agreement provide each other, upon request, information about market trading activity, clearing activity and customer identity. *See* Securities Exchange Act Release No. 31529 (November 27, 1992).

regulatory, surveillance and other information from foreign jurisdictions.[29]

In order to address the above noted concerns and to comply with Commentary .03 of the SRO Rules, the SROs note that the Commission has entered into an MOU with the CVM. The Amex represents that it has an SSA with the Bovespa. The CBOE represents that it has an SSA with the Bovespa and the RJSE.[30] If the MOU ceases to exist, each SRO represents that it will contact the Commission immediately in order to enable the Commission to determine what measures should be taken with regards to the listing and trading of options of HOLDRs.[31] The Commission believes that the combination of the SSAs and the MOU satisfy the requirement of Commentary .03 of the SRO Rules. The Commission also notes that the SROs have relied on the SSAs and the MOU to trade options overlying Telebras ADSs.

For the reasons described above, the Commission finds good cause to approve the proposed rule changes, and Amex Amendment No. 1 and CBOE Amendment No. 1, prior to the thirtieth day after publication of notice of filing thereof in the **Federal Register**. Specifically, Amex Amendment No. 1 clarifies the procedures to be followed in the event that a surveillance sharing arrangement with Brazil ceases to exist.[32] CBOE Amendment No. 1 clarifies, among other things, the Volume Requirement and five day Price Requirement that HOLDRs must satisfy in order to permit options trading overlying HOLDRs.[33] The Commission believes that the proposal will benefit investors who want to trade the Spin-Off ADSs in one exchange traded product, (similar to what investors trade through one Telebras ADS), and who seek to hedge their exposure through a single overlying options product. In addition, the Commission believes that any regulatory issues that are posed by options on HOLDRs have been adequately addressed by the SROs.

Accordingly, the Commission believes that it is consistent with Sections 6(b)(5) and 19(b)(2)[34] of the Act, to find that good cause exists to approve the proposed rule changes and Amex Amendment No. 1 and CBOE Amendment No. 1 on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule changes are 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 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 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 filing will also be available for inspection and copying at the principal office of the SROs. All submissions should refer to File Nos. SR–Amex–98–28, SR–CBOE–98–32 and SR–Phlx–98–33 and should be submitted by September 3, 1998.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule changes (SR–Amex–98–28, SR–CBOE–98–32 and SR–Phlx–98–33), and Amex Amendment No. 1 and CBOE Amendment No. 1, are approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[35]

Jonathan G. Katz,

Secretary.

[FR Doc. 98–21721 Filed 8–12–98; 8:45 am]

BILLING CODE 8010–01–M

[29] An MOU provides a framework for mutual assistance in investigatory and regulatory matters. Generally, the Commission has permitted an SRO to rely on an MOU in the absence of an SSA only if the SRO receives an assurance from the Commission that such an MOU can be relied on for surveillance purposes and includes, at a minimum, the transaction, clearing and customer information necessary to conduct an investigation. See Securities Exchange Act Release No. 35184 (December 30, 1994) 60 FR 2616 (January 10, 1995). In addition, an SRO should nonetheless endeavor to develop SSAs with the foreign exchange that trades the underlying securities even if the SRO receives prior Commission approval to rely on an MOU in place of an SSA.

[30] Supra note 11.

[31] The Commission notes that although the Phlx does not have an SSA with the Bovespa or RJSE, the MOU alone satisfies the requirement of Commentary .03 of the SRO Rules. Furthermore, the Commission believes that in the case of the Amex and the CBOE, if the SSAs cease to exist but the MOU is still effective, the Amex and the CBOE are not required to notify the Commission.

[32] Supra note 4.

[33] Supra note 4.

[34] 15 U.S.C. 78s(b)(2).

[35] 17 CFR 200.30–3(a)(12).

TENNESSEE VALLEY AUTHORITY

Paperwork Reduction Act of 1995, as Amended by P.L. 104–13; Submission for OMB Review; Comment Request

AGENCY: Tennessee Valley Authority.

ACTION: Submission for OMB Review; comment request.

SUMMARY: The proposed information collection described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended). The Tennessee Valley Authority is soliciting public comments on this proposed collection as provided by 5 C.F.R. Section 1320.8(d)(1). Requests for information, including copies of the information collection proposed and supporting documentation, should be directed to the Agency Clearance Officer: Wilma H. McCauley, Tennessee Valley Authority, 1101 Market Street (WR 4Q), Chattanooga, Tennessee 37402–2801; (423) 751–2523.

Comments should be sent to the OMB Office of Information and Regulatory Affairs, Attention: Desk Officer for the Tennessee Valley Authority September 14, 1998.

Type of Request: Regular submission.

Title of Information Collection: TVA Aquatic Plant Management.

Frequency of Use: On occasion.

Type of Affected Public: Individuals or households.

Small Businesses or Organizations Affected: No.

Federal Budget Functional Category Code: 452.

Estimated Number of Annual Responses: 2,000.

Estimated Total Annual Burden Hours: 400.

Estimated Average Burden Hours Per Response: .2.

Need For and Use of Information: TVA committed to involving the public in developing plans for managing aquatic plants in individual TVA lakes under a Supplemental Environmental Impact Statement completed in August 1993. This proposed survey will provide a mechanism for obtaining input into this planning process from a representative sample of people living near each lake. The information obtained from the survey will be factored into the development of aquatic plant management plans for mainstream Tennessee River lakes.

William S. Moore,

Senior Manager, Administrative Services.

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