

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36254; International Series Release No. 857; File No. SR-OCC-95-05]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change to Issue, Clear, and Settle Customized Foreign Currency Options on the Italian Lira and the Spanish Peseta

September 19, 1995.

On May 4, 1995, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-95-05) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the Federal Register on July 14, 1995.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description of the Proposal

Under the rule change, OCC will issue, clear, and settle option transactions where the Italian lira or the Spanish peseta is either the trading currency or the underlying currency.³ The Commission is approving a proposal by The Philadelphia Stock Exchange ("PHLX") to list and trade such foreign currency options through the PHLX customized options facility concurrently with the approval of this proposed rule change.⁴

The PHLX rule filings enable its members to trade customized contracts between the lira or the peseta and any other approved currency. Currently, OCC has approval to list and clear flexibly structured option contracts⁵ on

any combination of the following currencies: (1) Australian dollar, (2) British pound, (3) Canadian dollar, (4) German mark, (5) European Economic Community currency unit, (6) French franc, (7) Japanese yen, (8) Swiss franc, and (9) United States dollar. The Italian lira and the Spanish peseta now will be included in OCC's list of approved currencies.

Options on the lira or the peseta will be cleared and settled in accordance with the clearance and settlement mechanisms already in place for flexibly structured foreign currency options and for cross-rate foreign currency options. In addition, options on the lira or the peseta will be margined like OCC's existing foreign currency and cross-rate foreign currency option contracts. Accordingly, OCC has determined that no changes to its By-Laws or rules are necessary to accommodate these new contracts.

II. Discussion

Section 17A(b)(3)(F)⁶ of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. The Commission believes that OCC's proposed rule change is consistent with OCC's obligations under the Act because OCC's proposal will allow the clearance and settlement of option contracts where the peseta or the lira is either the trading currency or the underlying currency by using existing OCC systems, rules, and procedures already in place for flexibly structured foreign currency options and for cross-rate foreign currency options. Thus, OCC should be able to implement the clearance and settlement of such options with little difficulty due to the similarity of these option contracts to the option contracts currently cleared and settled in OCC's existing system.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

foreign currency as an index option having an expiration date, an exercise price, an exercise style, an index value determinant, and in the case of a capped option, a cap interval, that are reported to OCC by a national securities exchange or association registered with OCC pursuant to OCC's matched trade reporting requirements set forth in Article VI, Section 6 of the OCC By-Laws and Rule 401 of the OCC's Rules.

⁶ 15 U.S.C. 78q-1(b)(3)(F) (1988).

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-95-05) be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-23934 Filed 9-26-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Buffalo District Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration Buffalo District Advisory Council will hold a public meeting on Thursday, October 5, 1995 at 10:00 a.m. at the M & T Bank, M & T Center, One Fountain Plaza, 2nd floor board room, Buffalo, New York to discuss matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Mr. Franklin J. Sciortino, District Director, U.S. Small Business Administration, 111 West Huron Street, Buffalo, New York 14202, (716) 551-4301.

Dated: September 20, 1995.

Art DeCoursey,

Acting Director, Office of Advisory Council.

[FR Doc. 95-23900 Filed 9-26-95; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption From the Federal Motor Vehicle Theft Prevention Standard; Honda

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Grant of petition for exemption.

SUMMARY: This notice grants in full the petition of American Honda Motor Co., Inc., on behalf of Honda Motor Company, Ltd., (Honda) for an exemption of a high-theft line (whose nameplate is confidential) from the parts-marking requirements of the Federal motor vehicle theft prevention standard. This petition is granted because the agency has determined that the antitheft device to be placed on the

¹ 15 U.S.C. 78s(b)(1) (1988).

² Securities Exchange Act Release No. 35937 (July 5, 1995), 60 FR 36320.

³ The term "trading currency" is defined in Article I, Section 1 of the OCC By-Laws as the currency in which premium and/or exercise prices are denominated for a class of foreign currency options or cross-rate foreign currency options. The term "underlying currency" is defined in Article I Section 1 of the OCC By-Laws as the currency which is required to be delivered upon the exercise of a class of foreign currency or cross-rate foreign currency options.

⁴ For a discussion of the addition of the lira and the peseta to the list of approved currencies on which customized foreign currency options may be listed and traded through the PHLX customized options facility, refer to Securities Exchange Act Release No. 36255 (September 20, 1995) [File Nos. SR-PHLX-20 and SR-PHLX-21] (order approving the proposed rule change to list and trade options on the Italian lira and Spanish peseta)

⁵ The term "flexibly structured option" is defined in Article XXIII, Section 1(F)(1) in respect of flexibly structured index options where the premium and exercise price are denominated in a

line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

DATES: The exemption granted by this notice is effective beginning with the (confidential) model year.

FOR FURTHER INFORMATION CONTACT: Ms Barbara Gray, Office of Market Incentives, NHTSA, 400 Seventh St., S.W., Washington, DC. 20590. Ms Gray's telephone number is (202) 366-1740. Her fax number is (202) 493-2739.

SUPPLEMENTARY INFORMATION: In a petition dated June 16, 1995, American Honda Motor Co., Inc., requested on behalf of Honda Motor Co., Ltd., an exemption from the parts-marking requirements of the Theft Prevention Standard for a motor vehicle line. The nameplate of the line and the model year of introduction are confidential. The submittal requested an exemption from the parts-marking requirements pursuant to 49 CFR part 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire line. In an August 9, 1995, telephone conversation with NHTSA officials, Honda clarified the scope of its petition.

Honda's June 16 letter and information provided in the August 9 telephone conversation, together constitute a complete petition, as required by 49 CFR part 543.7, in that it met the general requirements contained in § 543.5 and the specific content requirements of § 543.6. In a letter dated July 11, 1995, to Honda, the agency granted the petitioner's request for confidential treatment of most aspects of its petition, including the nameplate of the line and the model year of its introduction.

In its petition, Honda provided a detailed description and diagrams of the identity, design, and location of the components of the antitheft device for the new line. This antitheft device includes an engine starter-interrupt function and an alarm function. The antitheft device is activated by removing the ignition key and locking the doors with it. The alarm monitors the doors, hood, battery terminals and circuitry, and engine starter circuit.

In order to ensure the reliability and durability of the device, Honda stated that it conducted tests, based on its own specified standards. Honda provided a detailed list of the tests conducted. Honda stated its belief that the device is reliable and durable since the device complied with Honda's specified requirements for each test.

Honda compared the device proposed for its new line with devices which NHTSA has determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements.

Honda has concluded that the antitheft device proposed for its new line is no less effective than those devices in the lines for which NHTSA has already granted exemptions from the parts-marking requirements. Honda bases its belief on reduced theft rates of the Saab 900 and Lexus SC car lines. Both lines had experienced theft rates below the median theft rate (3.5826) set for Model Years (MY) 1990/1991. Additionally, Honda stated that the Honda Acura NSX has been equipped with an antitheft device since MY 1991. The theft rate of the NSX continues to be below the median theft rate (3.5826). Since the vehicle line that is the subject of this petition will be equipped with a similar system as the NSX, Honda expects that the antitheft device on the vehicle line for which it now seeks an exemption will also be as effective in reducing and deterring theft.

Based on the evidence submitted by Honda, the agency believes that the antitheft device for the new Honda line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standards (49 CFR part 541).

The agency believes that the device will provide the types of performance listed in 49 CFR 543.6(a)(3): Promoting activation, attracting attention to unauthorized entries, preventing defeat or circumvention of the device by unauthorized persons, preventing operation of the vehicle by unauthorized entrants, and ensuring the reliability and durability of the device.

As required by 49 U.S.C. 331006 and 49 CFR 543.6(a) (4) and (5), the agency finds that Honda has provided adequate reasons for its belief that the antitheft device will reduce and deter theft. This conclusion is based on the information Honda provided about its device, much of which is confidential. This confidential information included a description of reliability and functional tests conducted by Honda for the antitheft device and its components.

For the foregoing reasons, the agency hereby grants in full Honda's petition for exemption for the line from the parts-marking requirements of 49 CFR part 541.

If Honda decides not to use the exemption for this line, it should formally notify the agency. If such a decision is made, the line must be fully

marked according to the requirements under 49 CFR 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Honda wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, § 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption." The agency wishes to minimize the administrative burden which § 543.9(c)(2) could place on exempted vehicle manufacturers and itself.

The agency did not intend in drafting part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes the effects of which might be characterized as *de minimis*, it should consult with the agency before preparing and submitting a petition to modify.

Authority: 49 U.S.C. 33106; delegation of authority at 49 CFR 1.50.

Issued on: September 22, 1995.

Barry Felrice,

Associate Administrator for Safety Performance Standards.

[FR Doc. 95-23989 Filed 9-26-95; 8:45 am]

BILLING CODE 4910-59-P

DEPARTMENT OF THE TREASURY

Customs Service

Receipt of Domestic Interested Party Petition Concerning Country of Origin Marking for Hinges

AGENCY: Customs Service, Department of the Treasury.

ACTION: Notice of receipt of domestic interested party petition; solicitation of comments.

SUMMARY: Customs has received a petition filed on behalf of a domestic interested party concerning the country of origin marking requirements for metal hinges. The petitioner requests that Customs require imported metal hinges to be marked individually by a die sunk, molding or etching process in a conspicuous place such as the exposed