

The second amendment of permit 747 was issued to FWS on March 27, 1996. Three actions are provided by this amendment. They are: (1) An extension of permit 747 through November 30, 1996; (2) the continuation of the moratorium on the collection of adult ESA-listed fish for broodstock for the duration of permit 747; and (3) the continuation of the authorization for a take of ESA-listed fish associated with the maintenance and care of hatchery fish that are part of FWS's propagation and captive broodstock programs. Due to continued technical concerns with hybridization and imprinting problems, it was not feasible for NMFS to complete the necessary actions required to issue a new enhancement permit by the end of March, 1996. The take of ESA-listed fish associated with the scientific research/monitoring component of permit 747 has been deleted and is now authorized under permit 990, issued on March 20, 1996 (61 FR 14297, April 1, 1996). The second amendment is in effect for the duration of permit 747.

Issuance of the permit and the second amendment to a permit, as required by the ESA, was based on a finding that such actions: (1) Were requested in good faith, (2) will not operate to the disadvantage of the ESA-listed species that is the subject of the permits, and (3) is consistent with the purposes and policies set forth in section 2 of the ESA and the NMFS regulations governing ESA-listed species permits.

Dated: April 11, 1996.

Margaret Lorenz,

*Acting Chief, Endangered Species Division,
Office of Protected Resources, National
Marine Fisheries Service.*

[FR Doc. 96-9515 Filed 4-17-96; 8:45 am]

BILLING CODE 3510-22-F

[I.D. 040996B]

Marine Mammals

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Modification no. 4 to scientific research permit no. 873 (P772#63).

SUMMARY: Notice is hereby given that a request for modification of scientific research permit no. 873 submitted by the Southwest Fisheries Science Center, NMFS, P.O. Box 271, La Jolla, CA 92038-0271, has been granted.

ADDRESSES: The modification and related documents are available for review upon written request or by appointment in the following offices:

Permits Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Suite 13130, Silver Spring, MD 20910 (301/713-2289); and

Director, Southwest Region, NMFS, 501 West Ocean Boulevard, Suite 4200, Long Beach, CA 90802, (310/980-4016).

SUPPLEMENTARY INFORMATION: On March 1, 1996, notice was published in the Federal Register (61 FR 8043) that a modification of permit no. 873, issued July 28, 1993 (58 FR 34038), had been requested by the above-named organization. The requested modification has been granted under the authority of the Marine Mammal Protection Act of 1972, as amended (16 U.S.C. 1361 *et seq.*), the provisions of paragraphs (d) and (e) of § 216.33 of the Regulations Governing the Taking and Importing of Marine Mammals (50 CFR part 216), the Endangered Species Act of 1973 (ESA), as amended (16 U.S.C. 1531 *et seq.*), and the provisions of § 222.25 of the Regulations Governing the Taking, Importing, and Exporting of Endangered Fish and Wildlife (50 CFR part 222).

Permit no. 873 authorized the permit holder to biopsy several species of cetaceans off the Pacific, Southern, and Indian Oceans, and to import biopsy tissues collected outside of U.S. waters. The permit has been modified to authorize an increase in the number of humpback whales (*Megaptera novaeangliae*) to be biopsy sampled from 20 to 100 for 1996, including 15 cow/calf pairs (i.e., 30 animals), in Hawaiian waters during the 1996 field season.

Issuance of this modification, as required by the ESA, was based on a finding that such modification: (1) Was applied for in good faith; (2) will not operate to the disadvantage of the endangered species which are the subject of this permit; and (3) is consistent with the purposes and policies set forth in section 2 of the ESA.

Dated: April 9, 1996.

Ann D. Terbush,

*Chief, Permits and Documentation Division,
Office of Protected Resources, National
Marine Fisheries Service.*

[FR Doc. 96-9514 Filed 4-17-96; 8:45 am]

BILLING CODE 3510-22-F

COMMODITY FUTURES TRADING COMMISSION

Trading and Clearing Link Between the Chicago Board of Trade and the London International Financial Futures and Options Exchange

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of the proposed trading and clearing linkage for certain financial products between the Chicago Board of Trade and the London International Financial Futures and Options Exchange and proposed rules and rule amendments to implement the linkage.

SUMMARY: The Chicago Board of Trade ("CBT" or "Exchange") has submitted a proposal to implement a trading and clearing link ("Link") with the London International Financial Futures and Options Exchange ("LIFFE"). Pursuant to the Link, CBT and LIFFE would trade their major financial futures and options contracts on each other's floors by open outcry. Effectively, the link would permit "cross listing" of CBT and LIFFE futures contracts. Market users could establish a position in a LIFFE-designated contract in Chicago which would be transferred to The London Clearing House ("LCH") the same day and be recognized as a LIFFE position. Market users could also establish a position in a CBT-designated contract in London which would be transferred to the Board of Trade Clearing Corporation ("BOTCC") the same day and be recognized as a CBT position. Conceptually, a CBT-designated contract would be executed on LIFFE, initially matched by LCH, and then transferred to BOTCC for clearing and vice-versa. All contracts traded through the Link would be completely fungible. Acting pursuant to the authority delegated by Commission Regulation 140.96, the Division of Trading and Markets has determined to publish the proposal for public comment. The Division believes that publication of the proposal is in the public interest and will assist the Commission in considering the views of interested persons.

DATES: Comments must be received on or before May 20, 1996.

FOR FURTHER INFORMATION CONTACT: Lois Gregory, Attorney, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Telephone: (202) 418-5483.

SUPPLEMENTARY INFORMATION:

I. Description of Proposal

By letters dated July 28, 1995 through March 1, 1996, CBT submitted a proposal, including proposed new rules and rule amendments, for Commission approval under Section 5a(a)(12)(A) of the Commodity Exchange Act ("Act") and Commission Regulation 1.41(b) to implement a trading and clearing Link with the LIFFE. CBT states that, through the Link, it and LIFFE intend to provide more extensive risk transfer opportunities for their members and users of the markets, and to facilitate price discovery for the benefit of persons who rely on internationally disseminated price information.

A. Contracts and Hours

Under the Link, CBT and LIFFE would trade their major financial futures and options contracts on each other's floors by open outcry. Market users could establish a position in a LIFFE-designated contract in Chicago which typically would be transferred to LCH the same day and be recognized as a LIFFE position. Markets users could also establish a position in a CBT-designated contract in London which typically would be transferred to BOTCC the same day and be recognized as a CBT position. All open positions in contracts traded under the proposal automatically would transfer from the executing exchange to the "home" exchange at the end of the trading day.¹

At the commencement of the Link, CBT would list for trading futures and

options on LIFFE's German Government Bond contract and LIFFE would list for trading futures and options on the CBT's U.S. Treasury Bond contract.² The CBT has proposed to amend its German government bond futures and option contracts to be fungible with the corresponding LIFFE contracts.³

All contracts traded through the Link would be completely fungible. Accordingly, to accomplish this, the CBT would modify the terms and conditions of its contracts which would be traded on both the CBT and LIFFE so that they would be identical to those of the LIFFE contracts.⁴

The products would have the following open outcry trading day at the two exchanges (central daylight savings time/location of trading in bold):

	Chicago	London
Treasury Bonds:		
CBT	6:20 p.m.–9:05 p.m.	12:20 a.m.–3:05 a.m.
LIFFE	1:30 a.m.–7:00 a.m.	7:30 a.m.–1:00 p.m.
CBT	7:20 a.m.–2:00 p.m.	1:20 p.m.–8:00 p.m.
German Bunds:		
CBT	6:20 p.m.–9:05 p.m.	12:20 a.m.–3:05 a.m.
LIFFE	1:30 a.m.–10:15 a.m.	7:30 a.m.–4:15 p.m.
CBT	10:20 a.m.–2:00 p.m.	4:20 p.m.–8:00 p.m.

There would be time breaks between the cessation of trading on the LIFFE and the trading resumption of Link products on the CBT to provide for an orderly transition from one market place to the other. There would be no overlap in open outcry trading in the contracts between the two exchanges.

Each exchange has an electronic trading system⁵ and each initially would operate its system during a portion of the other's open-outcry sessions. However, when linkage volume reached a specified level, electronic trading would be turned-off during open-outcry sessions for the linkage contracts.

B. Trading and Clearing

The Link is designed to allow market users to enter and leave the market without regard to whether their trades are executed in London or Chicago, and to permit a contract executed at the executing exchange to be transformed into the contract of the home exchange upon its transfer to the home clearinghouse. Each day under the Link, each clearing member's gross long and

gross short open position balance in LIFFE-designated contracts traded on CBT would be transferred at CBT's closing price to the account of a LIFFE clearing member counterpart via LCH for clearing and settlement.

Transactions initially would be matched by BOTCC, but upon transfer to LCH, would be converted to a LIFFE futures or option contract and then confirmed to the customer as such at the trade price determined on the CBT floor. Similarly, each LCH clearing member's gross long and gross short open position balance in CBT-designated contracts traded on LIFFE would be transferred at LIFFE's closing price to the account of a CBT clearing member counterpart via BOTCC for clearing and settlement. Transactions initially would be matched by LCH, but upon transfer to BOTCC would be converted to a CBT futures or option contract at the trade price determined on the LIFFE floor.

Market participants also would have the option of having daytrade positions entered into on the executing exchange offset prior to transfer thereby reducing associated costs. A market participant

also could have a position open at the home exchange offset by a designated link position that has been transferred.

The clearing organization for the executing exchange would be responsible for trades up until the moment they were transferred to the home clearing organization. At the moment of the transfer of positions, the home clearing organization would be responsible and the clearing guarantee of that organization would attach. The home clearing organization would guarantee the other side of the market in the same manner and with the same resources used to guarantee transactions executed on the home exchange. Open positions in linkage contracts could not be transferred from the executing exchange to the home exchange on holidays at the home exchange. In those cases, all transactions would continue to be held by the executing exchange until the home exchange's next business day.

Firms which executed trades for LIFFE-designated products in Chicago would be required to be an LCH clearing member or enter into a Link clearing agreement with a single LCH clearing

¹ Options could be exercised only after being transferred to the home exchange. All deliveries would be at the home exchange.

² CBT and LIFFE also propose eventually to have CBT's ten and five year U.S. Treasury Note futures and options contracts introduced for trading on

LIFFE and futures and options on LIFFE's Long-Term British Gilts and Italian Government Bonds introduced for trading on the CBT.

³ Likewise, LIFFE would have contracts which would be fungible with CBT contracts.

⁴ In its rules, the CBT's contracts traded on the Link are referred to as "LIFFE designated contracts trading on CBT".

⁵ CBT's electronic trading system is known as Project A. LIFFE operates the Automated Pit Trading system, referred to as "APT."

member. Likewise, firms who executed trades for CBT-designated products in London would be required to be BOTCC clearing members or enter into a Link clearing agreement with a single BOTCC clearing member. These agreements would require the receiving clearing member to accept the transferor's entire open position balance, except in accordance with specified criteria for rejection, such as, for example, the bankruptcy of the transferor or the termination of its rights to act as a clearing member. In order to trade under the Link, a non-clearing member of either exchange would have to have clearing arrangements for designated contracts trading with a home exchange clearing member that has entered into a relevant Link clearing agreement.

Contracts traded under the Link would be added to the contract's existing open interest on the home exchange. Link contract volume would be recorded by the executing exchange. With respect to positions transferred through the Link, the home exchange and clearing organization would be entitled to charge their respective fees, but at rates no higher than those normally charged. The home exchange and clearing organization would not impose fees on trades which were not transferred through the Link, i.e., daytrades offset on the executing exchange. If the average daily trading volume for a contract traded on the executing exchange was more than 20% of the average daily trading volume on the home exchange for the same period, the parties could take whatever action deemed appropriate, including suspending trading over the Link of that particular contract. The contract would then be traded only on the home exchange, with open interest, of course, attributable to the home exchange.

C. Margin

Both BOTCC and LCH would collect margin to minimize the risk of carrying positions executed under the Link. For LIFFE-designated contracts traded on CBT, BOTCC would transfer the day position balance to LCH at CBT's 2:00 p.m. closing price on trade day, "T". Transfer would take place between 4:00 p.m. and 5:00 p.m., Chicago time, and BOTCC would calculate a variation on all LIFFE-designated positions it had cleared for the trading day against its closing prices. LCH would receive the transferred positions at CBT's closing price and calculate a variation against its own earlier close-of-market settlement price. Although bank commitments would have been received

earlier, each clearing house actually would collect the variation on T+2.⁶

For CBT-designated contracts trading on LIFFE, LCH would transfer open positions to BOTCC at approximately 10:00 a.m., Chicago time. Positions would be transferred at the LCH closing price and LCH would calculate variation based on this price and would collect on T+1. BOTCC would determine the settlement price based on its afternoon close and would calculate and collect variation on the transferred positions as part of its routine, mid-day variation call. Each home clearing firm would reimburse each executing clearing firm for the variation paid to the executing clearing organization. Conversely, each home clearing firm would receive from the executing clearing firm any variation paid by the executing clearing organization.

For CBT-designated option contracts purchased on LIFFE, LCH would collect the full option premium. So that linked contracts would be fully fungible and to avoid pricing discrepancies, CBT proposes, pursuant to Commission Regulation 33.11, that the Commission exempt LIFFE-designated options purchased on CBT from the requirement of Commission regulation 33.4(a)(2)⁷ and allow them to be margined futures-style.

BOTCC and LCH would collect original margin on a position executed on the executing exchange when the day after the trade day was a holiday for the home clearing organization. Transfer of funds and positions would resume on the next business day. BOTCC would also collect original margin for LIFFE-designated positions it held overnight from its evening trading session.

LIFFE-designated contracts would be traded and settled in various currencies. CBT-designated contracts would be traded and settled in U.S. dollars.

The Link is intended to be seamless to customers. To aid in this endeavor, CBT proposes that contracts traded under the Link be subject to consistent segregation treatment before and after funds and positions were transferred from the executing exchange to the home clearing organization. U.S. customer funds associated with contracts executed on LIFFE normally would be subject to Commission Regulation 30.7 and customer funds associated with contracts executed on CBT normally would be subject to

⁶This variation would be collected on T + 1 for futures and options on Long-Term British Gilts. See footnote 2, supra.

⁷Commission Regulation 33.4(a)(2) requires that the full amount of each option premium be received from each option customer at the time the option is purchased.

Section 4d of the Act. CBT proposes that customer funds used to secure positions in CBT-designated contracts traded on LIFFE be held by U.S. clearing firms under Section 4d of the Act before as well as after those positions were transferred to BOTCC. Customer funds used to secure positions in LIFFE-designated contracts traded on CBT would be classified as Commission Regulation 30.7 funds before as well as after those positions were transferred to LCH.⁸ The parties anticipate this would avoid potential operational difficulties and accounting problems, fulfill customer expectations that funds and positions would be held in the manner required in the location where the ultimate clearing organization is located, and further the concept of full fungibility of contracts.

Deliveries and options exercises of all linkage contracts would take place through the home exchange and in accordance with the requirements of the home exchange. All deliveries in U.S. Treasury products would occur through BOTCC and its clearing members. All deliveries in LIFFE contracts would occur through LCH and its clearing members.

D. Oversight

Linkage contracts would be traded under the rules of the executing exchange. Therefore, the trading of LIFFE-designated contracts on CBT would be subject to CBT rules and regulations. Exchange-for-physical ("EFP") transactions on CBT-designated contracts would continue to be submitted to BOTCC. EFPs would not be permitted on LIFFE-designated contracts. CBT would not operate any system of price limits or operate an average pricing system with respect to LIFFE-designated contracts. Crossing of transactions on the executing exchange could be permitted, but only in a manner which conformed with the rules of the home exchange.

Proposed CBT rules would provide that it would be an act detrimental to the interest and welfare of CBT for a member to be found by LIFFE to have committed a material violation of LIFFE's rules, and any CBT member sanctioned by LIFFE could be suspended until the sanction was satisfied.

The parties would share information to enable effective surveillance and investigations related to designated linkage contracts. Each exchange and its

⁸The Commission is exploring the appropriate treatment of CBT-designated positions for the period held in the United Kingdom to assure appropriate protection of U.S. based segregation deposits.

clearing house would be entitled to take such action under its rules to deal with a market emergency as it in its discretion deemed fit and would consult with all other parties on the matter as soon as practicable.

II. Request for Comments

The Commission requests comments from interested persons concerning any aspect of the proposed trading and clearing link between the CBT and LIFFE that commenters believe raises issues under the Act or Commission regulations.

Copies of the proposed rules, illustrations of accounting detail for transfer of positions and funds and other related materials are available for inspection at the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581. Copies also may be obtained through the Office of the Secretariat at the above address or by telephoning (202) 418-5100. Some materials may be subject to confidential treatment pursuant to 17 CFR 145.5 or 145.9.

Any person interested in submitting written data, views, or arguments on the proposal or proposed new rules or rule amendments should send such comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581 by the specified date.

Alan L. Seifert,

Deputy Director.

[FR Doc. 96-9506 Filed 4-17-96; 8:45 am]

BILLING CODE 6351-01-P

DEPARTMENT OF EDUCATION

Office of Postsecondary Education; Federal Work-Study Programs

AGENCY: Department of Education.

ACTION: Notice of Closing Date for Filing the "Institutional Application and Agreement for Participation in the Work-Colleges Program."

SUMMARY: The Secretary gives notice to institutions of higher education of the deadline for an eligible institution to apply for participation in the Work-Colleges Program and to apply for funding under that program for the 1996-97 award year (July 1, 1996 through June 30, 1997) by submitting to the Secretary an "Institutional Application and Agreement for Participation in the Work-Colleges Program."

The Work-Colleges Program along with the Federal Work-Study Program

and the Job Location and Development Program are known collectively as the Federal Work-Study programs. The Work-Colleges Program is authorized by part C of title IV of the Higher Education Act of 1965, as amended (HEA).

CLOSING DATE: To participate in the Work-Colleges Program and to apply for funds for that program for the 1996-97 award year, an eligible institution must mail or hand-deliver its "Institutional Application and Agreement for Participation in the Work-Colleges Program" on or before May 20, 1996. The Department will not accept the form by facsimile transmission. The form must be submitted to the Institutional Financial Management Division at one of the addresses indicated below.

ADDRESSES: *Applications and Agreements Delivered by Mail.* An institutional application and agreement delivered by mail must be addressed to Carolyn Short, Work-Colleges Program, Institutional Financial Management Division, Accounting and Financial Management Service, Student Financial Assistance Programs, U.S. Department of Education, P.O. Box 23781, Washington DC 20026-0781. An applicant must show proof of mailing consisting of one of the following: (1) A legibly dated U.S. Postal Service postmark; (2) a legible mail receipt with the date of mailing stamped by the U.S. Postal Service; (3) a dated shipping label, invoice, or receipt from a commercial carrier; or (4) any other proof of mailing acceptable to the Secretary of Education.

If an institutional application and agreement is sent through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing: (1) A private metered postmark, or (2) a mail receipt that is not dated by the U.S. Postal Service.

An institution should note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, an institution should check with its local post office.

An institution is encouraged to use certified or at least first class mail. Institutions that submit an institutional application and agreement after the closing date of May 20, 1996, will not be considered for participation or funding under the Work-Colleges Program for award year 1996-97.

Applications and Agreements Delivered by Hand. An institutional application and agreement delivered by hand must be taken to Carolyn Short, Work-Colleges Program, Institutional Financial Management Division, Accounting and Financial Management

Service, Student Financial Assistance Programs, U.S. Department of Education, Room 4663, Regional Office Building 3, 7th and D Streets, SW., Washington, DC. Hand-delivered institutional applications and agreements will be accepted between 8:00 a.m. and 4:30 p.m. (Eastern time) daily, except Saturdays, Sundays, and Federal holidays. An institutional application and agreement for the 1996-97 award year that is delivered by hand will not be accepted after 4:30 p.m. on May 20, 1996.

SUPPLEMENTARY INFORMATION: Under the Work-Colleges Program, the Secretary allocates funds when available for that program to eligible institutions. The Secretary will not allocate funds under the Work-Colleges Program for award year 1996-97 to any eligible institution unless the institution files its "Institutional Application and Agreement for Participation in the Work-Colleges Program" by the closing date.

To apply for participation and funding under the Work-Colleges Program, an institution must satisfy the definition of "work-college" in section 448(e) of the HEA. The term "work-college" under the HEA means an eligible institution that (1) is a public or private nonprofit institution with a commitment to community service; (2) has operated a comprehensive work-learning program for at least two years; (3) requires all resident students who reside on campus to participate in a comprehensive work-learning program and the provision of services as an integral part of the institution's educational program and as part of the institution's educational philosophy; and (4) provides students participating in the comprehensive work-learning program with the opportunity to contribute to their education and to the welfare of the community as a whole.

Applicable Regulations

The following regulations apply to the Work-Colleges Program:

- (1) Student Assistance General Provisions, 34 CFR Part 668.
- (2) Federal Work-Study Programs, 34 CFR Part 675.
- (3) Institutional Eligibility Under the Higher Education Act of 1965, as amended, 34 CFR Part 600.
- (4) New Restrictions on Lobbying, 34 CFR Part 82.
- (5) Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants), 34 CFR Part 85.
- (6) Drug-Free Schools and Campuses, 34 CFR Part 86.