

Dated: November 14, 1997.

**William M. Hill, Jr.,**

*Secy Tracking Officer, Office of the Secretary.*

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BILLING CODE 7590-01-M

## RAILROAD RETIREMENT BOARD

### 1998 Railroad Experience Rating Proclamations, Monthly Compensation Base and Other Determinations

**AGENCY:** Railroad Retirement Board.

**ACTION:** Notice.

**SUMMARY:** Pursuant to section 8(c)(2) and section 12(r)(3) of the Railroad Unemployment Insurance Act (Act) (45 U.S.C. 358(c)(2) and 45 U.S.C. 362(r)(3), respectively), the Board gives notice of the following:

1. The balance to the credit of the Railroad Unemployment Insurance (RUI) Account, as of June 30, 1997, is \$83,062,894.58;
2. The September 30, 1997, balance of any new loans to the RUI Account, including accrued interest, is zero;
3. The system compensation base is \$2,754,953,781.58 as of June 30, 1997;
4. The cumulative system unallocated charge balance is (\$194,812,974.38) as of June 30, 1997;
5. The pooled credit ratio for calendar year 1998 is zero;
6. The pooled charged ratio for calendar year 1998 is zero;
7. The surcharge rate for calendar year 1998 is 1.5 percent;
8. The monthly compensation base under section 1(i) of the Act is \$925 for months in calendar year 1998;
9. The amount described in section 1(k) of the Act as "2.5 times the monthly compensation base" is \$2,312.50 for base year (calendar year) 1998;
10. The amount described in section 2(c) of the Act as "an amount that bears the same ratio to \$775 as the monthly compensation base for that year as computed under section 1(i) of this Act bears to \$600" is \$1,195 for months in calendar year 1998;
11. The amount described in section 3 of the Act as "2.5 times the monthly compensation base" is \$2,312.50 for base year (calendar year) 1998;
12. The amount described in section 4(a-2)(i)(A) of the Act as "2.5 times the monthly compensation base" is \$2,312.50 with respect to disqualifications ending in calendar year 1998;
13. The maximum daily benefit rate under section 2(a)(3) of the Act is \$44 with respect to days of unemployment and days of sickness in registration periods beginning after June 30, 1998.

**DATES:** The balance in notice (1) and the determinations made in notices (3) through (7) are based on data as of June 30, 1997. The balance in notice (2) is based on data as of September 30, 1997. The determinations made in notices (5) through (7) apply to the calculation, under section 8(a)(1)(C) of the Act, of employer contribution rates for 1998. The determinations made in notices (8) through (12) are effective January 1, 1998. The determination made in notice (13) is effective for registration periods beginning after June 30, 1998.

**ADDRESSES:** Secretary to the Board, Railroad Retirement Board, 844 Rush Street, Chicago, Illinois 60611-2092.

**FOR FURTHER INFORMATION CONTACT:** Marla L. Huddleston, Bureau of the Actuary, Railroad Retirement Board, 844 Rush Street, Chicago, Illinois 60611-2092, telephone (312) 751-4779.

**SUPPLEMENTARY INFORMATION:** The RRB is required by section 8(c)(1) of the Railroad Unemployment Insurance Act (Act) (45 U.S.C. 358(c)(1)) as amended by Pub. L. 100-647, to proclaim by October 15 of each year certain system-wide factors used in calculating experience-based employer contribution rates for the following year. The RRB is further required by section 8(c)(2) of the Act (45 U.S.C. 358(c)(2)) to publish the amounts so determined and proclaimed. The RRB is required by section 12(r)(3) of the Act (45 U.S.C. 362(r)(3)) to publish by December 11, 1997, the computation of the calendar year 1998 monthly compensation base (section 1(i) of the Act) and amounts described in sections 1(k), 2(c), 3 and 4(a-2)(i)(A) of the Act which are related to changes in the monthly compensation base. Also, the RRB is required to publish, by June 11, 1998, the maximum daily benefit rate under section 2(a)(3) of the Act for days of unemployment and days of sickness in registration periods beginning after June 30, 1998.

#### Surcharge Rate

A surcharge is added in the calculation of each employer's contribution rate, subject to the applicable maximum rate, for a calendar year whenever the balance to the credit of the RUI Account is less than \$100 million on the preceding June 30. If the RUI Account balance is less than \$100 million, but at least \$50 million, the surcharge will be 1.5 percent. If the RUI Account balance is less than \$50 million, but greater than zero, the surcharge will be 2.5 percent. The maximum surcharge of 3.5 percent applies if the RUI Account balance is less than zero.

The Account balance on June 30, 1997, was \$83,062,894.58. Accordingly, the surcharge rate for calendar year 1998 is 1.5 percent.

#### Monthly Compensation Base

For years after 1988, section 1(i) of the Act contains a formula for determining the monthly compensation base. Under the prescribed formula, the monthly compensation base increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The monthly compensation base for months in calendar year 1998 shall be equal to the greater of (a) \$600 or (b) \$600 [1 + {(A - 37,800)/56,700}], where A equals the amount of the applicable base with respect to tier 1 taxes for 1998 under section 3231(e)(2) of the Internal Revenue Code of 1986. Section 1(i) further provides that if the amount so determined is not a multiple of \$5, it shall be rounded to the nearest multiple of \$5.

The calendar year 1998 tier 1 tax base is \$68,400. Subtracting \$37,800 from \$68,400 produces \$30,600. Dividing \$30,600 by \$56,700 yields a ratio of 0.53968254. Adding one gives 1.53968254. Multiplying \$600 by the amount 1.53968254 produces the amount of \$923.81, which must then be rounded to \$925. Accordingly, the monthly compensation base is determined to be \$925 for months in calendar year 1998.

#### Amounts Related to Changes in Monthly Compensation Base

For years after 1988, sections 1(k), 2(c), 3 and 4(a-2)(i)(A) of the Act contain formulas for determining amounts related to the monthly compensation base.

Under section 1(k), remuneration earned from employment covered under the Act cannot be considered subsidiary remuneration if the employee's base year compensation is less than 2.5 times the monthly compensation base for months in such base year. Multiplying 2.5 by the calendar year 1998 monthly compensation base of \$925 produces \$2,312.50. Accordingly, the amount determined under section 1(k) is \$2,312.50 for calendar year 1998.

Under section 2(c), the maximum amount of normal benefits paid for days of unemployment within a benefit year and the maximum amount of normal benefits paid for days of sickness within a benefit year shall not exceed an employee's compensation in the base year. In determining an employee's base year compensation, any money remuneration in a month not in excess of an amount that bears the same ratio

to \$775 as the monthly compensation base for that year bears to \$600 shall be taken into account. The calendar year 1998 monthly compensation base is \$925. The ratio of \$925 to \$600 is 1.54166667. Multiplying 1.54166667 by \$775 produces \$1,195. Accordingly, the amount determined under section 2(c) is \$1,195 for months in calendar year 1998.

Under section 3, an employee shall be a "qualified employee" if his/her base year compensation is not less than 2.5 times the monthly compensation base for months in such base year.

Multiplying 2.5 by the calendar year 1998 monthly compensation base of \$925 produces \$2,312.50. Accordingly, the amount determined under section 3 is \$2,312.50 for calendar year 1998.

Under section 4(a-2)(i)(A), an employee who leaves work voluntarily without good cause is disqualified from receiving unemployment benefits until he has been paid compensation of not less than 2.5 times the monthly compensation base for months in the calendar year in which the disqualification ends. Multiplying 2.5 by the calendar year 1998 monthly compensation base of \$925 produces \$2,312.50. Accordingly, the amount determined under section 4(a-2)(i)(A) is \$2,312.50 for calendar year 1998.

#### Maximum Daily Benefit Rate

Section 2(a)(3) contains a formula for determining the maximum daily benefit rate for registration periods beginning after June 30, 1989, and after each June 30 thereafter. Legislation enacted on October 9, 1996, revised the formula for indexing maximum daily benefit rates. Under the prescribed formula, the maximum daily benefit rate increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The maximum daily benefit rate for registration periods beginning after June 30, 1998, shall be equal to 5 percent of the monthly compensation base for the base year immediately preceding the beginning of the benefit year. Section 2(a)(3) further provides that if the amount so computed is not a multiple of \$1, it shall be rounded down to the nearest multiple of \$1.

The calendar year 1997 monthly compensation base is \$890. Multiplying \$890 by 0.05 yields \$44.50, which must then be rounded down to \$44. Accordingly, the maximum daily benefit rate for days of unemployment and days of sickness beginning in registration periods after June 30, 1998, is determined to be \$44.

Dated: November 10, 1997.

By authority of the Board.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 97-30168 Filed 11-17-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Rule 10b-10, SEC File No. 270-389, OMB

Control No. 3235-0444

Rule 11Ac1-3, SEC File No. 270-382, OMB

Control No. 3235-0435

Rule 15c2-12, SEC File No. 270-330, OMB

Control No. 3235-0372

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Rule 10b-10, Confirmation of Transactions, applies to all securities transactions, other than transactions in municipal securities or U.S. savings bonds, it would potentially apply to all of the approximately 5,400 firms registered with the Securities and Exchange Commission that effect transactions on behalf of customers.

Rule 10b-10 requires broker-dealers convey to customers basic trade information regarding their securities transactions. This information includes the date and time of the transaction; the identity and number of shares bought or sold; and the trading capacity of the broker-dealer. Depending on the trading capacity of the broker-dealer, the rule requires the disclosure of commissions and, under specified circumstances, mark-up and mark-down information. For transactions in debt securities, the rule requires the disclosure of redemption and yield information.

The confirmation process is automated, and it takes about one minute to generate and send a confirmation. The cost per confirmation generally stays the same. Per year, it is estimated that broker-dealers spend 10.8 million hours complying with Rule 10b-10.

It is important to note, however, that the confirmation is a customary document used by the industry. The

staff estimates the costs of producing and sending a confirmation to be approximately 89 cents, although the amount of confirmations sent and the cost of sending each confirmation will vary from firm to firm. Smaller firms will send fewer confirmations because they will have fewer transactions. As a result, the total cost to the industry is approximately \$578 million per year (650 million confirmations at 89 cents per confirmation).

Rule 11Ac1-3, Customer Account Statements, requires disclosure on each new account and on a yearly basis thereafter, on the annual statement, the firm's policies regarding receipt of payment for order flow from any market makers, exchanges or exchange members to which it routes customers' order in the national market system securities for execution; and information regarding the aggregate amount of monetary payments, discounts, rebates or reduction in fees received by the firm over the past year.

It is estimated that there are 5,308 registered broker-dealers with customer accounts. The staff estimates that the average number of hours necessary for each broker-dealer to comply with the Rule 11Ac1-3 is fourteen hours annually. Thus, the total burden is 74,312 hours annually. The average cost per hour is approximately \$40.

Therefore, the total cost of compliance for broker-dealers is \$297,248.

Rule 15c2-12, Municipal Securities Disclosure, requires underwriters of municipal securities: (1) To obtain and review a copy of an official statement deemed final by an issuer of the securities, except for the omission of specified information; (2) in non-competitively bid offerings, to make available, upon request, the most recent preliminary official statement, if any; (3) to contract with the issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement to comply both with this rule and any rules of the Municipal Securities Rulemaking Board; (4) to provide, for a specified period of time, copies of the final official statement to any potential customer upon request; (5) before purchasing or selling municipal securities in connection with an offering, to reasonably determine that the issuer or other specified person has undertaken, in a written agreement or contract, for the benefit of holders of such municipal securities, to provide certain information about the issue or issuer on a continuing basis to a nationally recognized municipal securities information repository; and (6) to review the information the issuer