

such failure. Congress granted the Commission broad power to establish a centralized system of regulation over the national clearance and settlement system in order to prevent such a situation from occurring.<sup>25</sup> Given the significant role played by matching services and the scope of the definition, the Commission believes that some form of regulation is appropriate to assure the prompt and accurate clearance and settlement of securities.<sup>26</sup>

#### IV. Possible Regulatory Approaches

Even though matching services fall within the definition of clearing agency, the Commission preliminarily is of the view that an entity that limits its clearing agency functions to providing matching services need not be subject to the full panoply of clearing agency regulation. The Commission has broad exemptive authority under Section 17A. Section 17A(b)(1) authorizes the Commission to exempt (conditionally or unconditionally) any clearing agency from any provision of Section 17A if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of Section 17A.

Two alternative approaches may provide an appropriate regulatory structure for entities providing matching facilities: limited registration or conditional exemption. Under either approach only those regulatory requirements that the Commission views as necessary and appropriate to achieve the goals of Section 17A would be applicable to an entity providing a matching facility.<sup>27</sup> The limited registration alternative is a "scaled back" approach, which would register the matching service provider as a clearing agency while providing exemptions from individual clearing agency requirements. The conditional exemption alternative is a "building block" approach, which would exempt the entity from clearing agency registration subject to appropriate conditions.<sup>28</sup> Under either approach,

the Commission would publish for comment a notice of the qualified ETC vendor's application for limited registration or conditional exemption, including the proposed terms of the registration or exemption, before approving the application.<sup>29</sup>

The Commission requests commenters' views on whether limited clearing agency registration or conditional exemption from clearing agency registration is the best alternative for regulating qualified ETC vendors that provide matching services. Does either or both of these proposed alternatives provide a prudent method to ensure the safety and soundness of the national system for clearance and settlement of securities transactions and the continued development of linked and coordinated clearance mechanisms subject to uniform standards? Generally speaking, what clearing agency requirements under Section 17A(b) would be necessary and appropriate for matching services, and which would not? Are there other alternatives by which the Commission could maintain oversight of matching by qualified ETC vendors that would ensure the safety and soundness of the national clearance and settlement system?

#### List of Subjects in 17 CFR Part 241

Securities.

#### Amendment of the Code of Federal Regulations

For the reasons set out in the preamble, Title 17 Chapter II of the Code of Federal Regulations is amended as set forth below:

the settlement of its matched trades; (3) allow the Commission to inspect its facilities and records; and (4) make periodic disclosures to the Commission regarding its operations.

Applicants requesting exemption from clearing agency registration are required to meet standards substantially similar to those required of registrants under Section 17A in order to assure that the fundamental goals of that section are furthered (*i.e.*, safety and soundness of the national clearance and settlement system). See, *e.g.*, Securities Exchange Act Release Nos. 36573 (December 12, 1995), 60 FR 65076 (order approving application for exemption from clearing agency registration for the Clearing Corporation for Options and Securities); 38328 (February 24, 1997), 62 FR 9225 (order approving application for exemption from clearing agency registration for Cedel Bank, société anonyme; and 38589 (May 9, 1997), 62 FR 26833 (notice of application for exemption from clearing agency registration by Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System).

<sup>29</sup> See Section 19(a) of the Exchange Act, 15 U.S.C. 78s(a), and Exchange Act Rule 17Ab2-1, 17 CFR 240.17Ab2-1.

#### PART 241—INTERPRETATIVE RELEASES RELATING TO THE SECURITIES EXCHANGE ACT OF 1934 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 241 is amended by adding Release No. 34-39829 and the release date of April 6, 1998 to the list of interpretive releases.

By the Commission.

Dated: April 6, 1998.

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 98-9594 Filed 4-10-98; 8:45 am]

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#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

##### Food and Drug Administration

##### 21 CFR Part 558

##### New Animal Drugs For Use In Animal Feeds; Bacitracin Zinc; Corrections

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule; correction.

**SUMMARY:** The Food and Drug Administration (FDA) is amending the animal drug regulations for bacitracin zinc to correct several regulations concerning the use of new animal drugs in animal feeds. Those corrections concern a codified designated source of bacitracin zinc for use in combination with several other new animal drugs. This document corrects those errors.

**EFFECTIVE DATE:** April 13, 1998.

**FOR FURTHER INFORMATION CONTACT:** Thomas J. McKay, Center for Veterinary Medicine (HFV-102), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301-827-0213.

**SUPPLEMENTARY INFORMATION:** In the *Federal Register* of March 4, 1992 (57 FR 7652), FDA published a document reflecting the change of sponsor of several new animal drug applications from Pittman-Moore, Inc., to American Cyanamid Co. In that document, FDA failed to change several regulations regarding the source of bacitracin zinc in combination with other new animal drugs, namely at 21 CFR 558.175(d)(1)(iii)(b) and (d)(1)(iv)(b), 558.195(d) in the table under "Limitations," 558.311(e)(1)(ii) in the table under "Limitations," and 558.515(d)(1)(vi)(b). Consequently, FDA also failed to include these citations in a change of sponsor from American Cyanamid Co. to Hoffmann-La Roche, Inc. (61 FR 18081, April 24, 1996).

<sup>25</sup> S. Rep. 75, 94th Cong., 1st Sess. 55 (1975); H. Rep. 123, 94th Cong., 1st Sess. 78-79 (1975).

<sup>26</sup> Letter regarding Bradford National Corporation (June 1, 1981), CCH Transfer Binder, ¶ 76,853.

<sup>27</sup> Under either approach, an entity would have to meet the requirements to become qualified as an ETC vendor under the SRO rules. The requirements needed to become a qualified ETC vendor are necessary elements but in themselves are not sufficient for an entity that provides a matching function.

<sup>28</sup> Under the exemptive approach, the Commission anticipates that an entity seeking an exemption for matching would be required to: (1) provide the Commission with information on its matching services and notice of material changes to its matching services; (2) establish an electronic link to a registered clearing agency that provides for

Instead, they were incorrectly included in a change of sponsor from Mallinckrodt Veterinary, Inc. (formerly Pittmann-Moore, Inc.) to Schering-Plough Animal Health Corp. (62 FR 61624, November 19, 1997). Sections 558.175, 558.195, 558.311, and 558.515 are amended to reflect the correct source of bacitracin zinc.

#### List of Subjects in 21 CFR Part 558

—Animal drugs, Animal feeds.  
—Therefore, under the Federal Food, Drug, and Cosmetic Act and under the authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR part 558 is amended as follows:

#### PART 558—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

–1. The authority citation for 21 CFR part 558 continues to read as follows:

—**Authority:** 21 U.S.C. 360b, 371.

#### § 558.175 [Amended]

–2. Section 558.175 *Clopidol* is amended in paragraph (d)(1)(iii)(b) and (d)(1)(iv)(b) by removing “000061” and adding in its place “000004”.

#### § 558.195 [Amended]

–3. Section 558.195 *Decoquinat* is amended in the table in paragraph (d) in the entry for “27.2 (0.003 pct.), Roxarsone 11 to 45 (0.0012–0.005 pct.) plus Bacitracin 12 to 50” under the “Limitations” column, by removing “No. 000061” and adding in its place “Nos. 000004, 011716, and 046573”.

#### § 558.311 [Amended]

–4. Section 558.311 *Lasalocid* is amended in the table in paragraph (e)(1)(ii), under the “Limitations” column, in the fifth paragraph, by removing “000061” and adding in its place “000004”.

#### § 558.515 [Amended]

–5. Section 558.515 *Robenidine hydrochloride* is amended in paragraph (d)(1)(vi)(b) by removing the phrase “Nos. 000004, 000061,” and adding in its place “Nos. 000004”.

Dated: March 26, 1998.

**Andrew J. Beaulieu,**

Acting Director, Office of New Animal Drug Evaluation, Center for Veterinary Medicine.  
[FR Doc. 98–9575 Filed 4–10–98; 8:45 am]

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 50 CFR Parts 217 and 227

[Docket No. 980331080–8080–01; I.D. 032398C]

RIN 0648–AK66

#### Sea Turtle Conservation; Shrimp Trawling Requirements

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

**ACTION:** Interim final rule; request for comments.

**SUMMARY:** NMFS issues this interim final rule to amend the regulations that require most shrimp trawlers to use Turtle Excluder Devices (TEDs) in the southeastern Atlantic, including the Gulf of Mexico, to reduce the incidental capture of endangered and threatened sea turtles during shrimp trawling. Specifically, this interim final rule allows the use of a new design of soft TED—the Parker soft TED—subject to certain limitations. The intent of this rule is to allow shrimpers the option of using a new design of soft TED.

**DATES:** This rule is effective April 13, 1998. Comments on this rule are requested, and must be received by June 12, 1998.

**ADDRESSES:** Requests for a copy of the environmental assessment (EA) prepared for this interim final rule and comments on this action should be addressed to the Chief, Endangered Species Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Silver Spring, MD 20910. Requests for copies of the reports on 1997 TED testing should be addressed to the Chief, Harvesting Systems Division, Mississippi Laboratories, Southeast Fisheries Science Center, NMFS, P.O. Drawer 1207, Pascagoula, MS 39568–1207.

**FOR FURTHER INFORMATION CONTACT:** Charles A. Oravetz, 813–570–5312.

#### SUPPLEMENTARY INFORMATION:

##### Background

All sea turtles that occur in U.S. waters are listed as either endangered or threatened under the Endangered Species Act of 1973 (ESA). The Kemp's ridley (*Lepidochelys kempii*), leatherback (*Dermochelys coriacea*), and hawksbill (*Eretmochelys imbricata*) are listed as endangered. Loggerhead (*Caretta caretta*) and green (*Chelonia*

*mydas*) turtles are listed as threatened, except for breeding populations of green turtles in Florida and on the Pacific coast of Mexico, which are listed as endangered.

The incidental take and mortality of these species, as a result of shrimp trawling activities, have been documented in the Gulf of Mexico and along the Atlantic seaboard. Under the ESA and its implementing regulations, taking sea turtles is prohibited, with exceptions identified in 50 CFR 227, subpart D. Existing sea turtle conservation regulations (50 CFR 227, subpart D) require most shrimp trawlers operating in the Gulf and Atlantic Areas, defined at 50 CFR 217.12, to have a NMFS-approved TED installed in each net rigged for fishing, year round. TEDs currently approved by NMFS for shrimp trawling include single-grid hard TEDs, hooped hard TEDs conforming to a generic description, and two types of special hard TEDs.

On December 19, 1996, NMFS promulgated a final rule (61 FR 66933) that concluded a rulemaking process that had begun with an advance notice of proposed rulemaking published on September 13, 1995 (61 FR 47544). The final rule established the Atlantic and Gulf Shrimp Fishery-Sea Turtle Conservation Areas (SFSTCAs) with special conservation requirements to reduce the mortality and subsequent strandings of sea turtles associated with intensive shrimp trawling in nearshore waters. Included in the requirements for the SFSTCAs was the prohibition, effective March 1, 1997, of the use of soft TEDs. The December 19, 1996 final rule also removed the approval of all existing soft TEDs in the rest of the Gulf and Atlantic Areas, effective December 19, 1997. Some of the factors considered in the determination to remove the approval of soft TEDs were the difficulty of installing soft TEDs correctly in various styles of nets, observations of sea turtle takes in the then-approved soft TEDs during commercial trawling, and poor turtle release during retesting of approved soft TEDs in various styles of nets.

#### TED Certification Procedures

New TED designs must undergo and pass certification trials by the designer and NMFS gear experts before they can be approved for use by the Assistant Administrator for Fisheries (AA). Two different certification protocols were published by NMFS, one on June 29, 1987 (52 FR 24244), and the other on October 9, 1990 (55 FR 41092). The notices publishing these protocols provide a detailed description of the testing procedures and criteria. Both