

# Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Airspace Docket No. 91-AWP-13]

#### Proposed Amendment to Restricted Area R-2504; Camp Roberts, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Proposed Rule; withdrawal.

**SUMMARY:** This action withdraws the Notice of Proposed Rulemaking (NPRM) published in the **Federal Register** on May 6, 1992. The NPRM proposed to amend the boundaries and time of designation for Restricted Area R-2504, Camp Roberts, CA. The FAA has determined that withdrawal of the proposal at this time is warranted because the Department of the Army has temporarily halted action on the proposal.

**DATES:** This proposed rule is withdrawn February 9, 1995.

**FOR FURTHER INFORMATION CONTACT:** Jim Robinson, Military Operations Program Office (ATM-420), Office of Air Traffic System Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 493-4050.

**SUPPLEMENTARY INFORMATION:** On May 6, 1992, a Notice of Proposed Rulemaking was published in the **Federal Register** to amend 14 CFR part 71 of the Federal Aviation Regulations to change the boundaries and time of designation for R-2504, Camp Roberts, CA (57 FR 19409).

The FAA has decided to withdraw the proposal at this time to provide the Department of the Army the opportunity to compile additional information regarding the proposal.

#### List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

### The Withdrawal

In consideration of the foregoing, Airspace Docket No. 91-AWP-13, as published in the **Federal Register** on May 6, 1992 (57 FR 19409), is hereby withdrawn.

**Authority:** 49 U.S.C. app. 1348(a), 1354(a), 1510; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 49 U.S.C. 106(g); 14 CFR 11.69.

Issued in Washington, DC, on January 26, 1995.

**Nancy B. Kalinowski,**

*Acting Manager, Airspace-Rules and Aeronautical Information Division.*

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## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 240 and 249

[Release No. 34-35323; File No. S7-4-95]

RIN 3235-AG28

#### Unlisted Trading Privileges

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rulemaking.

**SUMMARY:** The Securities and Exchange Commission ("Commission") is proposing new rules and amendments to existing rules concerning unlisted trading privileges ("UTP") in listed initial public offerings ("IPOs"). The proposed rules would reduce the period that exchanges have to wait before extending UTP to any listed IPO security, from the third trading day, to the first trade reported by the listing exchange to the Consolidated Tape. The proposed rules also would require exchanges to have rules and oversight mechanisms in place to ensure fair and orderly markets and the protection of investors with respect to UTP in the securities.

**DATES:** Comments should be submitted on or before March 13, 1995.

**ADDRESSES:** Interested persons should submit three copies of their written data, views and opinions to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., D.C. 20549, and should refer to File No. S7-4-95. All submissions will be made available for public inspection and copying at the Commission's Public

Reference Room, Room No. 1024, 450 Fifth Street, N.W., Washington, D.C. 20549.

**FOR FURTHER INFORMATION CONTACT:** Betsy Prout, 202/942-0170, Attorney, Office of Self-Regulatory Oversight and Market Structure, Division of Market Regulation, Securities and Exchange Commission, (Mail Stop 5-1), 450 5th Street, N.W., Washington D.C. 20549.

### SUPPLEMENTARY INFORMATION:

#### I. Background

On October 22, 1994, the Unlisted Trading Privileges Act of 1994 ("UTP Act") became effective. The UTP Act amends Section 12(f) of the Securities Exchange Act of 1934 ("Exchange Act"). Section 12(f) governs when a national securities exchange ("exchange") may trade a security that is not listed and registered on that exchange, *i.e.* by extending unlisted trading privileges ("UTP") to the security. Pursuant to the UTP Act, the Commission today is proposing rules under Section 12(f).

#### A. Section 12(f) Prior to the UTP Act

Prior to the UTP Act, Section 12(f) required exchanges to apply to the Commission before extending UTP to a particular security.<sup>1</sup> An exchange application for the extension of UTP named the security (or frequently, securities) for which the applicant exchange sought Commission approval for UTP. The Commission was required to provide interested parties with at least ten days notice of the application, which the Commission accomplished by publishing each UTP application for comment in the **Federal Register** at least ten days prior to approving UTP for a security. In addition, prior to approving the UTP application, the Commission had to find that the extension of UTP to each security named, if listed and registered on another exchange ("listed security" on a "listing exchange"), would be consistent with the maintenance of fair and orderly markets and the protection of investors. If so, the

<sup>1</sup> When an exchange "extends UTP" to a security, the exchange allows its members to trade the security as if it were listed on the exchange. For discussions of the history of UTP in U.S. markets and Section 12(f) of the Exchange Act, *see, e.g.*, Stephen L. Parker & Brandon Becker, Unlisted Trading Privileges, 14 *Rev. Sec. Reg.* 853 (1981); and Walter Werner, Adventure in Social Control of Finance: The National Market System for Securities, 75 *Colum. L. Rev.* 1233 (1975).