

that rule change to allow such members and member organizations to report their "short" positions to self-regulatory organizations other than the Exchange.

Specifically, the Exchange is proposing to add a new Commentary .02 to Rule 2.6(f) to provide that members and member organizations for which the Exchange is the DEA need not report short positions to the Exchange as provided in Rule 2.6(f), Commentary .01, if such member or member organization has made arrangements, satisfactory to the Exchange, to report such positions to another self-regulatory organization.

## 2. Statutory Basis

The Exchange believes the proposal is consistent with Section 6(b) of the Act, in general, and Section 6(b)(5), in particular, in that it is designed to protect investors and the public interest, to prevent fraudulent and manipulative acts and practices, and to promote just and equitable principles of trade.

### *B. Self-Regulatory Organization's Statement of Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments on the proposed rule change were neither solicited nor received.

## III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal

office of the PSE. All submissions should refer to File No. SR-PSE-95-08 and should be submitted by May 1, 1995.

## IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the PSE's proposal to adopt an interpretation to its short interest position reporting rules permitting a member to report such positions to another self-regulatory organization, pursuant to an arrangement satisfactory to the Exchange, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act.<sup>4</sup> Section 6(b)(5) requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public. Further, the Commission notes that the Exchange has represented that, as the Designated Examining Authority ("DEA"), the Exchange will review compliance with its short interest rules during each oversight examination. Such examinations are conducted on a regular basis pursuant to the Exchange's status as DEA. Finally, the Exchange's financial compliance office will modify its examination module to ensure that the examiner checks for compliance with the short interest reporting rules.<sup>5</sup>

The Commission believes that the PSE proposal to adopt Commentary .02 as outlined above furthers the objectives of Section 6(b)(5) of the Act in that it should facilitate the efficient reporting of short interest positions without imposing an undue burden upon broker-dealers.

The Commission finds good cause for approving the proposed rule change prior the thirtieth day after the date of publication of notice of filing thereof in the *Federal Register*. The Commission believes that accelerated approval of the proposal is appropriate in order to allow the PSE to ensure compliance with the short position reporting rules implemented as of March 1, 1995. Further, the new short position

<sup>4</sup> 15 U.S.C. 78f(b)(5) (1988).

<sup>5</sup> Conversation between David Semak & Michael Pierson, PSE, and Amy Bilbija, Commission, on March 24, 1995. The Exchange also indicated that, currently, there is only one member firm that will fall under the purview of the proposed amendment. The Exchange anticipates that only in rare occasions other members will need to make the arrangements provided for in the proposed rule change.

reporting procedure was noticed previously in the *Federal Register* for the full statutory period and the Commission did not receive any comments on it.<sup>6</sup>

It is therefore ordered, pursuant to Section 19(b)(2)<sup>7</sup> that the proposed rule change is hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

[FR Doc. 95-8666 Filed 4-7-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35553; File No. SR-Amex-94-57]

## Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to Implementation of a Three-Day Settlement Standard

March 31, 1995.

On December 23, 1994, the American Stock Exchange, Inc. ("Amex") filed a proposed rule change (File No. SR-Amex-94-57) with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the *Federal Register* on January 12, 1995, to solicit comments from interested persons.<sup>2</sup> The Commission received one written comment.<sup>3</sup> As discussed below, this order approves the proposed rule change.

### I. Description

In October 1993, the Commission adopted Rule 15c6-1 under the Act which will become effective June 7, 1995.<sup>4</sup> The rule establishes three business days after the trade date ("T+3"), instead of five business days ("T+5"), as the standard settlement cycle for most securities transactions. Several of the Amex's rules are interrelated with the T+5 settlement time frame. The purpose of the proposed rule change is to amend Amex's rules consistent with a T+3

<sup>6</sup> See Securities Exchange Act Release No. 35146 (December 23, 1994), 60 FR 518 (January 4, 1995).

<sup>7</sup> 15 U.S.C. 78s(b)(2) (1988).

<sup>8</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> 15 U.S.C. § 78s(b) (1988).

<sup>2</sup> Securities Exchange Act Release No. 35197 (January 6, 1995), 60 FR 3007.

<sup>3</sup> Letter from P. Howard Edelstein, President Electronic Settlements Group, Thomson Trading Services, Inc., to Jonathan G. Katz, Secretary, Commission (January 30, 1995).

<sup>4</sup> Securities Exchange Act Release Nos. 33023 (October 6, 1993), 58 FR 52891 (adopting Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (changing the effective date from June 1, 1995, to June 7, 1995).

settlement standard for securities transactions.

Rule 124(c) specifies the delivery date for regular way transactions which will be shortened to T+3. The references to a seller's option delivery to be made not less than six business days after the trade date contained in Rules 124(d) and 205C(2) will be changed to not less than four business days.

Rules 17(b) and 179(a) will require that all transactions and orders entered on a specialist's book in an issue of rights shall be made "next day" during the three business days preceding the final day for dealings in an issue of rights. Rules 17(c) and 179(b) will require all transactions and orders entered on a specialist's book in warrants shall be made for cash during the three final business days for trading in such issue. Rule 179(c) will require an order in an expiring equity securities entered on a specialist's book to be for "next day" delivery during the final three business days preceding the final day for trading.

The proposal will shorten by two days the time frames contained in Rule 423(4) for delivery of agent instructions with respect to receipt versus payment ("RVP") or delivery versus payment ("DVP") customer transactions. The proposal will shorten by two days the time frames contained in Rule 830 for the ex-dividend period and the ex-rights period (if the terms of the subscription are known sufficiently in advance) for stock transactions not made in cash. In addition, the proposal eliminates the separate ex-dividend and ex-right periods for transfers outside of New York.

Rule 858 directs settlement in contracts in bonds dealt in "and interest." The proposal will amend Rule 858 to provide that with respect to seller's option contracts, there shall be added to the contract price interest on the principle amount at the rate specified in the bond, which shall be computed up to but not including the day when delivery would have been due if the contract had been made "regular way."

Rule 862 will require that the return of loans of securities must be made on the third business day following the day on which notice is given. Rule 866 will require a loan of securities to be deliverable on the third business day following the day of the loan unless otherwise agreed to by the parties. Rule 882 will require that a seller deliver to the buyer a due-bill for dividends or rights to subscribe within three days after the record date if a security is sold before it is ex-dividend or ex-rights and delivery is made after the record date.

The references in Rule 882 to the equivalent New York record date will be eliminated.

Amex has requested that the proposed rule change become effective on the same date as Rule 15c6-1.<sup>5</sup> Rule 15c6-1 is scheduled to become effective on June 7, 1995. The transition from T+5 settlement to T+3 settlement will occur over a four day period.<sup>6</sup>

## II. Written Comment

The Commission received one comment letter from Thomson Trading Services, Inc. ("Thomson") suggesting that additional regulatory changes may be necessary to implement T+3 settlement.<sup>7</sup> Thomson believes that the Amex should amend Rule 423(5) which requires the use of the facilities of a securities depository for confirmation and acknowledgement of all depository-eligible transactions.

## III. Discussion

The Commission believes the proposal is consistent with the requirements of Section 6 of the Act.<sup>8</sup> Specifically, Section 6(b)(5) states that the rules of the exchange must be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, and processing information. Amex's rules and other self-regulatory organizations' rules currently establish the standard time frame for settlement of securities transactions. On June 7, 1995, the new settlement cycle of T+3 will be established, as mandated by the Commission's Rule 15c6-1. As a result, the Amex's current rules providing for a T+5 settlement cycle will be inconsistent with Commission rules. This proposal will amend the Amex's rules to harmonize them with a T+3 settlement cycle.

In addition, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act in that it protects investors and the public interest by reducing the risk to clearing corporations, their members, and public investors which is inherent

in settling securities transactions. The reduction of the time period for settlement of most securities transactions will correspondingly decrease the number of unsettled trades in the clearance and settlement system at any given time. Thus fewer unsettled trades will be subject to credit and market risk, and there will be less time between trade execution and settlement for the value of those trades to deteriorate.<sup>9</sup>

While the Thomson letter supports the Amex's efforts to shorten the settlement cycle for securities transactions, Thomson believes that the Amex should amend Rule 423(5), which requires the use of the facilities of a securities depository for the confirmation and acknowledgement of all DVP and RVP depository-eligible transactions. The Commission believes that the issue raised by the Thomson letter need not be resolved prior to the approval of the proposed rule change. Discussions regarding Thomson's concerns are underway among the Commission, Thomson, DTC, and the Securities Industry Association. The Commission will continue to work with the industry to address Thomson's concerns. However, if the proposed rule change is not approved prior to the June 7, 1995, effective date of Rule 15c6-1, the Amex rules will conflict with the Commission Rule 15c6-1.

The Thomson letter suggests that approval of the proposed rule change without amendments to Rule 423 raises competitive concerns. Under the Act, the Commission's responsibility is to balance the perceived anticompetitive effects of a regulatory policy or decision against the purpose of the Act that would be advanced by the policy or decisions and the costs associated therewith. The Commission notes that the anticompetitive effects pointed to by Thomson, if in fact there are any anticompetitive effects, are not caused by the proposed rule change approved by this order but rather by an existing Amex rule. The Commission is reviewing Thomson's claim but does not believe that approval of this proposal will itself create any burdens on competition. Moreover, as discussed above, the rule advances fundamental purposes under the Act, namely the

<sup>5</sup> Letter from Iyonne Nagy, Special Counsel, Amex, to Michele Bianco, Attorney, Office of Securities Processing, Division of Market Regulation, Commission (December 30, 1994).

<sup>6</sup> Friday, June 2, will be the last trading day with five business day settlement. Monday, June 5, and Tuesday, June 6, will be trading days with four business day settlement. Wednesday, June 7, will be the first trading day with three business day settlement. As a result, trades from June 2 and June 5 will settle on Friday, June 9. Trades from June 6 and June 7 will settle on Monday, June 12.

<sup>7</sup> Letter from P. Howard Edelstein, President, Electronic Settlement Group, Thomson Trading Services, Inc., to Jonathan G. Katz, Secretary, Commission (January 30, 1995).

<sup>8</sup> 15 U.S.C. 78f (1988).

<sup>9</sup> The adopting release stated, "the value of securities positions can change suddenly causing a market participant to default on unsettled positions. Because the markets are interwoven through common members, default at one clearing corporation or by a major market participant or end-user could trigger additional failures resulting in risk to the national clearance and settlement system." Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891.

efficient clearance and settlement of securities.

#### IV. Conclusion

For the reasons stated above, the Commission finds that Amex's proposal is consistent with Section 6 of the Act.<sup>10</sup>

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (File No. SR-Amex-94-57) be and hereby is approved, effective June 7, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-8709 Filed 4-7-95; 8:45 am]

BILLING CODE 8010-01-M

#### SMALL BUSINESS ADMINISTRATION

##### National Small Business Development Center Advisory Board; Public Meeting

The National Small Business Development Center Advisory Board will hold a public meeting on May 17, 1995, from 9 am through 4 pm, at the U.S. Small Business Administration, 7th Floor, 633 17th Street, Denver, Colorado 80202.

The purpose of the meeting is to discuss such matters as may be presented by Advisory Board members, staff of the SBA, or others present.

For further information, write or call Mary Ann Holl, SBA, 4th Floor, 409 3rd Street SW., Washington, DC 20416, telephone 202/205-7302.

**Dorothy A. Overall,**

*Director, Office of Advisory Council.*

[FR Doc. 95-8700 Filed 4-7-95; 8:45 am]

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##### Houston District Advisory Council; Public Meeting

The U.S. Small Business Administration Houston District Advisory Council will hold a public meeting on Thursday, April 27, 1995 at 1:30 p.m. in the SBA Conference Room, 9301 Southwest Freeway, Suite 550, Houston, Texas 77074-1591, 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. Melton Wilson, Jr., District Director, U.S. Small Business Administration, 9301 Southwest Freeway, Suite 550,

Houston, Texas 77074-1591, (713) 773-6500.

Dated: April 4, 1995.

**Dorothy A. Overall,**

*Director, Office of Advisory Council.*

[FR Doc. 95-8699 Filed 4-7-95; 8:45 am]

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#### DEPARTMENT OF TRANSPORTATION

##### Office of the Secretary

##### Application of Eagle Canyon Airlines, Inc., for Certificate Authority

**AGENCY:** Department of Transportation.

**ACTION:** Notice of Order to Show Cause (Order 95-4-8) Docket 50073.

**SUMMARY:** The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Eagle Canyon Airlines, Inc., fit, willing, and able, and awarding it a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property, and mail.

**DATES:** Persons wishing to file objections should do so no later than April 19, 1995.

**ADDRESSES:** Objections and answers to objections should be filed in Docket 50073 and addressed to the Documentary Services Division (C-55, Room PL-401), U.S. Department of Transportation, 400 Seventh Street SW., Washington, DC 20590 and should be served upon the parties listed in Attachment A to the order.

**FOR FURTHER INFORMATION CONTACT:** Ms. Carol A. Woods, Air Carrier Fitness Division (X-56, room 6401), U.S. Department of Transportation, 400 Seventh Street SW., Washington, DC 20590, (202) 366-2340.

Dated: April 4, 1995.

**Patrick V. Murphy,**

*Acting Assistant Secretary for Aviation and International Affairs.*

[FR Doc. 95-8698 Filed 4-7-95; 8:45 am]

BILLING CODE 4910-62-P

##### Office of Commercial Space Transportation

##### LEO Market Assessment

Notice is hereby given of an assessment of the low earth orbit (LEO) space market that will be undertaken by the Office of Commercial Space Transportation (OCST) of the Department of Transportation (DOT). This assessment will be an update to a prior study of the LEO market that

OCST conducted in February 1994, which was completed on the basis of information collected at a public meeting on February 10, 1994, and through private submittals. As with the former study, DOT is undertaking the assessment in support of its participation in various interagency working groups on space transportation and the efforts by the Office of the United States Trade Representative (USTR) to negotiate and/or monitor compliance with commercial space launch trade agreements between the U.S. and various economies-in-transition (EITs) offering commercial space launch services.

In order to complete the current assessment, DOT is again seeking data from interested parties that would assist in defining LEO launch requirements and in projecting future space transportation needs to support market demands. Specifically, OCST is interested in obtaining projections of the number of LEO payloads that will be launched between the years 1995-2010, as well as assessments of the types of services that may result from LEO satellites and their applications (e.g., remote sensing, mobile communications). OCST is also interested in obtaining short and long-range projections of the potential revenues that may be generated by these space-based systems. For purposes of this study, LEO can be considered to include Medium Earth Orbit (MEO) requirements as well (e.g., proposed communications satellite constellations in MEO).

At the present time, DOT does not plan to hold a public meeting to discuss new developments in the LEO market. Rather, the process for collecting information shall rely on written submissions, which can be provided to DOT by any interested party. Submissions designated as proprietary will be treated confidentially. Due to the immediate need for this data to support the various DOT and interagency efforts, written submissions should be provided as quickly as possible, and no later than noon on April 24, 1995, to the Office of Commercial Space Transportation, Room 5415, 400 Seventh Street, SW., Washington, DC 20590 or by fax to (202) 366-72cc. Additional information may be obtained by contacting Ms. Patti Grace Smith at (202) 366-8960 or Richard W. Scott, Jr. at (202) 366-2936.

Dated: April 5, 1995.

**Patti Grace Smith,**

*Associate Managing Director, Office of Commercial Space Transportation.*

[FR Doc. 95-8837 Filed 4-6-95; 11:35 am]

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<sup>10</sup> 15 U.S.C. § 78f (1988).

<sup>11</sup> 15 U.S.C. § 78s(b)(2) (1988).

<sup>12</sup> 17 CFR 200.30(a)(12) (1994).