A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to expand the universe of stocks in which LOC orders may be entered to all stocks for which MOC imbalances are published pursuant to such procedures regarding time of order entry and order cancellation as the Exchange may establish from time to time. The Exchange intends to keep the 3:55 p.m. cutoff time for the entry of LOC orders, except to correct a bona fide error. On expiration days,[4] LOC orders will continue to be irrevocable after 3:40 p.m., except to correct a bona fide error. For non-expiration days, cancellation of LOC orders would be prohibited after 3:55 p.m., except to correct errors.

In SR–NYSE–92–37, the Exchange filed a proposed amendment to Exchange Rule 13 to provide that LOC orders may be entered to offset published imbalances of MOC orders of 50,000 shares or more in stocks selected from the expiration day pilot stocks.[5] The Commission approved this proposal on a 15-month pilot basis through July 15, 1995.[6]

The LOC pilot currently consists of only five of the expiration day ''pilot stocks.'' Thus far, the LOC order type has been used rarely. Members cite the limited number of stocks for which this order type may be entered as a primary reason for not committing resources to effect system program changes necessary to support this order type.

The Exchange believes that by expanding the universe of eligible LOC stocks, the Exchange will make it more feasible for member firms to effect the systems changes required to use this order type. The Exchange is therefore proposing to expand the pilot to permit the entry of LOC orders to offset a MOC order imbalance of 50,000 shares or more in all stocks for which MOC order imbalances are published.[7]

The Exchange believes that the LOC order type may be a useful means to help address the prospect of excess market volatility that may be associated with an imbalance of MOC orders at the close. Therefore, the Exchange believes it is appropriate to expand the current pilot for LOC orders to all stocks for which MOC imbalances are published and to extend the pilot for LOC orders one year from the date of approval of this proposed rule change.[8]

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposed rule change perfects the mechanism of a free and open market by providing investors with the ability to use LOC orders as a vehicle for managing risk at the close.

B. Self-Regulatory Organization's Statement on 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 proposes of the Act.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the publication of this notice in the **Federal Register** or within such other period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written date, 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, NW., Washington, DC 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, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer the File No. SR–NYSE–95–09 and should be submitted by May 24, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–10853 Filed 5–2–95; 8:45 am]

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[4] The term ''expiration days'' refers to both (1) the trading day, usually the third Friday of the month, when some stock index options, stock index futures and options on stock index futures expire or settle concurrently (''Expiration Fridays'') and (2) the trading day on which end of calendar quarter index options expire (''QIX Expiration Days'').

[5] The Expiration Friday pilot stocks consist of the 50 most highly capitalized Standard & Poors (''S&P'') 500 stocks and any component stocks of the Major Market Index (''MMI'') not included therein. The QIX Expiration Day pilot stocks consist of the 50 most highly capitalized S&P 500 stocks, any component stocks of the MMI not included therein and the 10 highest weighted S&P Midcap 400 stocks.

[6] See Securities Exchange Act Release No. 33706 (March 3, 1994), 59 FR 11093.

[7] Currently, MOC imbalances are published for pilot stocks on expiration days and non-expiration days. In addition, on non-expiration days, MOC imbalances are published for stocks that are being added to or dropped from an index and, upon the request of a specialist, any other stock with the approval of a Floor Official. See Securities Exchange Act Release No. 35589 (April 10, 1995), 60 FR 19313.

[8] Given the limited use of the LOC order type in the current pilot for five stocks, the Exchange proposes that the existing pilot be replaced with the one year pilot for LOCs in all stocks proposed herein.

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2769]

Oklahoma; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on April 26, 1995, I find that Oklahoma County in the State of Oklahoma constitutes a disaster area due to damages caused by an explosion at the Alfred P. Murrah Federal Building in Oklahoma City on April 19, 1995. Applications for loans for physical damages may be filed until the close of business on June 24, 1995, and for loans for economic injury until the close of business on January 26, 1996, at the address listed below:

U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon

Carter Blvd., Suite 102, Ft. Worth, TX 76155

or other locally announced locations. In addition, applications for economic injury loans from small businesses located in the contiguous counties of Canadian, Cleveland, Kingfisher, Lincoln, Logan and Pottawatomie in the State of Oklahoma may be filed until the specified date at the above location.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere.	8.000
Homeowners Without Credit Available Elsewhere.	4.000
Businesses With Credit Available Elsewhere.	8.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere.	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere.	7.125
For Economic Injury: Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere.	4.000

The number assigned to this disaster for physical damage is 276904 and for economic injury the number is 850400.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008).

Dated: April 26, 1995.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 95–10805 Filed 5–2–95; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

[Docket No. 49844]

RIN 2105–AC19

Statement of United States International Air Transportation Policy

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Notice.

SUMMARY: This notice sets forth a statement of U.S. international air transportation policy.

FOR FURTHER INFORMATION CONTACT: William Boyd, Office of International Aviation, Office of the Assistant Secretary for Aviation and International Affairs, U.S. Department of Transportation, 400 7th Street SW., Room 6412, Washington, DC 20590, (202) 366–4870; or Patricia N. Snyder, Office of International Law, Office of the General Counsel, U.S. Department of Transportation, 400 7th Street SW., Room 10105, Washington, DC 20590. (202) 366–9179.

SUPPLEMENTARY INFORMATION: This statement of U.S. international air transportation policy, which was developed by the Department of Transportation in consultation with the Department of State and other executive agencies, sets forth objectives and guidelines for use by U.S. Government officials in carrying out U.S. international air transportation policy. It was first published in the **Federal Register** on November 7, 1994 to enable interested persons to comment.[1] On January 6, 1995, the Department asked for comments on a related report prepared for the Office of the Secretary titled ''A Study of International Airline Code Sharing.''[2] After reviewing the comments received on the policy statement and on the code sharing study, the Department of Transportation and other agencies have adopted the following final international air transportation policy statement.

United States International Air Transportation Policy

Introduction

The availability of efficient international air transportation will greatly enhance the future expansion of international commerce and the development of the emerging global marketplace. Worldwide, travelers and shippers are demanding more and better quality service to more places. U.S. and foreign airlines are responding to this demand by expanding traditional forms of service and by developing new and innovative services. Increased demand and the variety of carrier responses to it challenge the existing intergovernmental system's ability to ensure the development of a competitive air transportation system that meets the needs of the rapidly evolving, expanding and increasingly integrated international aviation marketplace. In many cases, existing bilateral agreements impede the growth of the marketplace.

We must address the challenges presented by these rapid changes to meet our future civil and military air transportation needs, and to provide our aviation industry with the environment and the opportunities that will enable it to grow and compete effectively in the world market. This policy statement outlines our approach to addressing those challenges.

Our Goal

Safe, Affordable, Convenient and Efficient Air Service for Consumers

As established in our last aviation policy statement in 1978, our overall goal continues to be to foster safe, affordable, convenient and efficient air service for consumers. We continue to believe that the best way to achieve this goal is to rely on the marketplace and unrestricted, fair competition to determine the variety, quality, and price of air service. We believe that this approach will provide consumers and shippers with more and better service options at costs that reflect economically efficient operations and work best to:

- Expand the international aviation market;
- Increase airlines' opportunities to expand their operations;
- Increase productivity and high-quality job opportunities within the aviation industry;
- Address the nation's defense air transportation needs; and
- Promote aerospace exports and general economic growth.

Changing Environment

Growing economic interdependence among nations—the ''globalization'' of the world economy—has expanded demand for convenient, reliable and affordable international air service. Demand for international service is growing faster than demand for U.S. domestic service, and most major U.S. airlines are now providing and planning to expand international operations. Between 1983 and 1993, the international component of U.S. airlines' route networks, measured in revenue passenger miles (RPMs), grew from around 16% to over 27%. U.S. airline revenues from international air service nearly tripled from $6.3 billion to $17.6 billion. Moreover, forecasts indicate that U.S. carrier international traffic, measured by RPMs, will increase to almost one-third of their total system traffic by the year 2000.

Just as important, the pattern of demand for international service has changed considerably. First, the regional distribution of U.S. carriers' international revenues has changed dramatically, as the primary focus of carriers' expansion moved beyond Europe to meet new demand in the emerging markets of Asia, the Pacific

[1] An earlier statement of international air transportation policy and our request for comments on the statement was published at 59 FR 55523, Nov. 7, 1994.

[2] Our request for comments on the code sharing study was published at 60 FR 2171, Jan. 6, 1995.