

[Release No. 34-36341; File No. SR-Phlx-95-51]

**Self-Regulatory Organizations;
Philadelphia Stock Exchange, Inc.;
Order Granting Approval To Proposed
Rule Change and Notice of Filing and
Order Granting Accelerated Approval
of Amendment No. 1 To Proposed Rule
Change Relating to Employee Trading
Accounts**

October 5, 1995.

On July 17, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to increase the requirements placed on securities trading accounts of employees of member and participant organizations.

The proposed rule change was published for comment in the Federal Register on August 18, 1995.³ No comments were received on the proposal. On September 14, 1995, the Phlx submitted Amendment No. 1 to the proposed rule change.⁴ This order approves the proposed rule change. Also, Amendment No. 1 is approved on an accelerated basis.

Currently, Phlx Rule 751 requires a member organization to obtain prior written approval from the Business Conduct Committee ("BCC") before it can take or carry an account of a clerk entitled to access to the Floor of the Exchange. The current rule applies to floor clerks only and does not require that the clerks' employers be informed of their employees' trading accounts.

By amending Phlx Rule 751, the Exchange proposes to increase the safeguards placed on securities trading accounts of employees of member and participant organizations.⁵ Specifically, the proposed amendment would expand the Rule's coverage to include all employees associated with a member or participant organization; require the

employer to consent in writing before such an account may be taken or carried by a member or participant organization; and require the member or participant organization that carries the account to provide the employer with duplicates of the employees' confirmation reports and trading account statements. The proposed amendment also would impose an obligation on employees who open trading accounts with a nonmember to make arrangements to provide their employers with duplicate confirmation reports and trading account statements. By increasing the employers' awareness of its employees' trading patterns through the use of employer consent and duplicate records relating to the account, the Exchange believes that member and participant organizations will be able to supervise their employees more effectively.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6(b).⁶ Specifically, the Commission believes the proposal is consistent with the Section 6(b)(5)⁷ requirements 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. The proposed amendments to Phlx Rule 751 should facilitate the supervisory efforts of a member or participant organization by providing it with information regarding its employees' private securities transactions. In addition, the proposed amendments should reveal existing and potential conflicts of interest as well as alert a member or participant organization when additional surveillance could be appropriate.

The Commission also considers the proposed rule change to be consistent with Section 6(b)(1)⁸ requirement that an exchange have the capacity to enforce compliance by its members and persons associated with its members with the Act, the rules thereunder, and the rules of the exchange. The proposed amendments should assist member and participant organizations in monitoring transactions by their employees that may violate the Act or the rules of the Exchange.

For the same reasons, the Commission also finds that it is consistent with the

Act to expand the coverage of Phlx Rule 751 to include all of the employees of member and participant organizations.

The Commission finds good cause for approving proposed Amendment No. 1 prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. The Amendment merely addresses the situation of when an employee opens a trading account with a nonmember, thereby foreclosing a potential loophole in the Rule. Also, the Amendment conforms the proposal to similar rules of other self-regulatory organizations.⁹ For these reasons, the Commission finds good cause for accelerating approval of the proposed rule change, as amended.

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 1. 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 also will be available for inspection and copying at the principal office of the Philadelphia Stock Exchange. All submissions should refer to File No. SR-Phlx-95-51 and should be submitted by November 3, 1995.

It therefore is ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (SR-Phlx-95-51), including Amendment No. 1, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority,¹¹

Jonathan G. Katz,
Secretary.

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BILLING CODE 8010-01-M

⁹ See Securities Exchange Act Release Nos. 33306 (Dec. 9, 1993), 58 FR 65603 (approving amendments to American Stock Exchange Rule 415) and 30744 (May 27, 1992), 57 FR 24075 (approving amendments to New York Stock Exchange Rule 407).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 36096 (Aug. 11, 1995), 60 FR 43177.

⁴ See letter from Gerald O'Connell, First Vice President, Phlx, to Glen Barrentine, Team Leader, SEC (Sept. 14, 1995). In Amendment No. 1, the Phlx added to the Rule a requirement that an employee of a member or participant organization who opens a securities trading account with a nonmember make arrangements for his employer to receive duplicate confirmation reports and monthly trading account statements.

⁵ A member organization includes member firms and member corporations. A participant organization refers to foreign currency options participant organizations.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78f(b)(1).

[Release No. 34-36348; File No. SR-Phlx-95-59]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Regarding Registered Representative Fees

October 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 14, 1995 the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. On October 3, 1995, the Exchange submitted Amendment No. 1 to the proposed rule change.² The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Phlx, pursuant to Rule 19b-4 of the Act, is increasing its registration fee for Registered Representatives ("RR") associated with a member or member organization. Specifically, the Exchange will increase the \$8.00 fee for all new RR registrants to \$10.00. The \$8.00 annual maintenance fee also will increase to \$10.00 for each RR. Lastly, the \$8.00 fee for transfers of RR registrations will increase to \$10.00. This increase will not become effective until January 1, 1996, such that any new registration in 1995 would continue to be subject to the \$8.00 fee, and any maintenance fees paid in 1995 will not be charged the difference.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Phlx is increasing its fee for the new registration, maintenance and transfer of RR registration with the Exchange from \$8.00 to \$10.00. This fee, which was adopted in 1993,³ was intended to offset Exchange regulatory costs based on the number of registrations maintained by member organizations. In adopting the fee, the Exchange cited the increasing costs associated with the maintenance of a fair and orderly market in Exchange products due to increased trading volume and the resultant need for enhanced automated surveillance capabilities in an increasingly sophisticated trading environment.⁴ The Exchange also cited an increase in the number of listed products traded by the Exchange as "primary issues," the number of trading vehicles with new features, and the number of surveillance investigations conducted, including the resultant disciplinary actions.⁵

The Exchange continues to believe that a strong regulatory program is essential to an exchange's ability to maintain a fair and orderly market for the investment community. Since the adoption of the RR fees, the Exchange has listed additional primary issues and new products, triggering additional regulatory costs. The continued automation efforts respecting surveillance functions must also be enhanced as well as updated to include additional issues; increased costs reflective of more sophisticated surveillance technologies are necessary to surveil a more technologically sophisticated market.

Most notably, the Exchange notes that general costs associated with its regulatory program continue to rise. Inflationary increases have affected the cost of staffing, equipment, technology and other continuing expenses, which have risen since the current fee was proposed in June 1993.

2. Statutory Basis

The proposed registration fee increase is consistent with Section 6(b)(4) of the Act⁶ in that it provides for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and issuers and other persons using its facilities. The Exchange notes that the American Stock Exchange, Chicago Board Options Exchange, New York Stock Exchange, National Association of Securities Dealers, and Pacific Stock Exchange also have implemented similar fees.⁷ The Exchange believes that a fee increase from \$8.00 to \$10.00 is reasonable in light of increasing regulatory costs.

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

The proposed rule change does not 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

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

The foregoing rule change constitutes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and subparagraph (e) of Rule 19b-4 thereunder.⁹

At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

⁶ 15 U.S.C. 78f(b)(4).

⁷ See Securities Exchange Act Release Nos. 33456 (January 11, 1994), 59 FR 2886 (January 19, 1994) (Notice of Filing and Immediate Effectiveness of File No. SR-AMEX-93-44); 36119 (August 18, 1995), 60 FR 44372 (August 25, 1995) (Notice of Filing and Immediate Effectiveness of File No. SR-CBOE-95-31); 35796 (June 1, 1995), 60 FR 30625 (June 9, 1995) (Notice of Filing and Immediate Effectiveness of File No. SR-NYSE-95-20); 32342 (May 20, 1993), 58 FR 30208 (May 26, 1993) (File No. SR-NASD-93-33); and 31425 (November 9, 1992), 57 FR 54271 (November 17, 1992) (Notice of Filing and Immediate Effectiveness of File No. SR-PSE-92-31).

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4.

¹ 15 U.S.C. 78s(b)(1).

² See Letter from Edith Hallahan, Special Counsel, Regulatory Service, Phlx, to Glen Barrentine, Team Leader, Division of Market Regulation, SEC, dated October 3, 1995. In Amendment No. 1, the Exchange submitted Exhibit B, which was not included with the original filing. Exhibit B sets forth the text of the proposed rule change.

³ See Securities Exchange Act Release No. 32883 (September 14, 1993), 58 FR 48922 (September 20, 1993) (approving File No. SR-Phlx-93-24).

⁴ See Securities Exchange Act Release No. 32692 (July 29, 1993), 58 FR 41535 (August 4, 1993) (Notice of Filing of File No. SR-Phlx-93-24).

⁵ *Id.*

IV. 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, 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 also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-95-59 and should be submitted by November 3, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. 95-25445 Filed 10-12-95; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION**Office of the Secretary****Reports, Forms and Recordkeeping Requirements**

AGENCY: Department of Transportation (DOT), Office of the Secretary.

ACTION: Notice.

SUMMARY: This notice lists those forms, reports, and recordkeeping requirements imposed upon the public which were transmitted by the Department of Transportation to the Office of Management and Budget (OMB) for its approval in accordance with the requirements of the Paperwork Reduction Act of 1980 (44 USC Chapter 35).

DATE: October 5, 1995.

ADDRESSES: Written comments on the DOT information collection requests should be forwarded, as quickly as possible, to Edward Clarke, Office of Management and Budget, New

Executive Office Building, Room 10202, Washington, D.C. 20503. If you anticipate submitting substantive comments, but find that more than 10 days from the date of publication are needed to prepare them, please notify the OMB official of your intent immediately.

FOR FURTHER INFORMATION CONTACT:

Copies of the DOT information collection requests submitted to OMB may be obtained from Susan Pickrel or Gemma de Guzman, Information Resource Management (IRM) Strategies Division, M-32, Office of the Secretary of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590, (202) 366-4735.

SUPPLEMENTARY INFORMATION: Section 3507 of Title 44 of the United States Code, as adopted by the Paperwork Reduction Act of 1980, requires that agencies prepare a notice for publication in the Federal Register, listing those information collection requests submitted to OMB for approval or renewal under that Act. OMB reviews and approves agency submissions in accordance with criteria set forth in that Act. In carrying out its responsibilities, OMB also considers public comments on the proposed forms and the reporting and recordkeeping requirements. OMB approval of an information collection requirement must be renewed at least once every three years.

Items Submitted to OMB for Review

The following information collection requests were submitted to OMB on October 5, 1995:

DOT No: 8.

OMB No: 2127-0042.

Administration: National Highway Traffic Safety Administration.

Title: 49 CFR Part 576—Record Retention.

Need for Information: 49 USC Section 30166(e) requires manufacturers to retain one copy of complaints, reports and other records of malfunctions that may be related to motor vehicle safety. These records may be used to investigate possible defects and noncompliances.

Proposed Use of Information: The information will be used to ensure that records are kept by manufacturers for proper investigation of possible defects related to motor vehicle safety.

Frequency: On occasion.

Respondents: Manufacturers of motor vehicles, Businesses.

Number of Respondents: 1,000.

Burden Estimate: 40,000 hours.

Form(s): None.

Average Burden Hours Per Response: 40 hours.

Issued in Washington, D.C. on October 5, 1995.

Jim Harrell,

Acting Manager, Information Resource Management (IRM) Strategies Division.

[FR Doc. 95-25410 Filed 10-12-95; 8:45am]

BILLING CODE 4910-62-P

[Notice 95-12]**Commercial Space Transportation Advisory Committee; Open Meeting**

Pursuant to Section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463, 5 U.S.C. App. 2), notice is hereby given of a meeting of the Commercial Space Transportation Advisory Committee (COMSTAC). The meeting will take place on Thursday, October 26, 1995, from 8:30 a.m. to 12:30 p.m. in Room 2230 of the Department of Transportation's headquarters building at 400 Seventh Street, SW, in Washington, D.C. This will be the twenty-second meeting of the COMSTAC. In addition to reports from the respective COMSTAC Working Groups, the meeting will provide a legislative update on Congressional activities involving commercial space transportation; an activities report from the Office of Commercial Space Transportation; an update on RLV activities; and other related topics. This meeting is open to the public; however, space may be limited. Additional information may be obtained by contacting Patti Grace Smith at (202) 366-5770.

Dated: October 4, 1995.

Frank C. Weaver,

Director, Office of Commercial Space Transportation.

[FR Doc. 95-25587 Filed 10-12-95; 8:45 am]

BILLING CODE 4910-62-P

Federal Transit Administration**[Docket No. 94-B]****Third Party Contracting Requirements**

AGENCY: Federal Transit Administration, DOT.

ACTION: Notice of availability of Third Party Contracting Requirements, Circular 4220.1C.

SUMMARY: On September 7, 1994, the Federal Transit Administration (FTA) published a Notice in the Federal Register announcing its decision to revise its Third Party Contracting Guidelines, Circular 4220.1B, to incorporate new provisions included in the Intermodal Surface Transportation Efficiency Act of 1991 (Pub. L. 102-240,

¹⁰ 17 CFR 200.30-3(a)(12).