

Name(s) of Petitioner(s): Julie Wagner, et al.

Type of Determination: Consolidation
Date of Filing of Appeal Papers:

November 21, 1995

Categories of Issues Apparently Raised:

1. Effect on postal services [39 U.S.C. § 404(b)(2)(C)].
2. Effect on the community [39 U.S.C. § 404(b)(2)(A)].

After the Postal Service files the administrative record and the Commission reviews it, the Commission may find that there are more legal issues than those set forth above. Or, the Commission may find that the Postal Service's determination disposes of one or more of those issues.

The Postal Reorganization Act requires that the Commission issue its decision within 120 days from the date this appeal was filed (39 U.S.C. § 404(b)(5)). In the interest of expedition, in light of the 120-day decision schedule, the Commission may request the Postal Service to submit memoranda of law on any appropriate issue. If requested, such memoranda will be due 20 days from the issuance of the request and the Postal Service shall serve a copy of its memoranda on the petitioners. The Postal Service may incorporate by reference in its briefs or motions, any arguments presented in memoranda it previously filed in this docket. If necessary, the Commission also may ask petitioners or the Postal Service for more information.

The Commission Orders

(a) The Postal Service shall file the record in this appeal by December 6, 1995.

(b) The Secretary of the Postal Rate Commission shall publish this Notice and Order and Procedural Schedule in the Federal Register.

By the Commission,
Margaret P. Crenshaw,
Secretary.

APPENDIX

November 21, 1995

Filing of Appeal letter
November 27, 1995

Commission Notice and Order of Filing of Appeal

December 15, 1995

Last day of filing of petitions to intervene
[see 39 C.F.R. § 3001.111(b)]

December 26, 1995

Petitioners' Participant Statement or Initial Brief [see 39 C.F.R. § 3001.115(a) and (b)]

January 15, 1996

Postal Service's Answering Brief [see 39 C.F.R. § 3001.115(c)]

January 30, 1996

Petitioners' Reply Brief should Petitioner choose to file one [see 39 C.F.R. § 3001.115(d)]

February 6, 1996

Deadline for motions by any party requesting oral argument. The Commission will schedule oral argument only when it is a necessary addition to the written filings [see 39 C.F.R. § 3001.116]

March 20, 1996

Expiration of the Commission's 120-day decisional schedule [see 39 U.S.C. § 404(b)(5)]

[FR Doc. 95-29342 Filed 11-30-95; 8:45 am]

BILLING CODE 7710-FW-P

POSTAL SERVICE

Programmatic Environmental Assessment; Priority Mail Processing System

AGENCY: Postal Service.

ACTION: Notice of finding of no significant impact.

SUMMARY: The Postal Service intends to implement a redesign program for the processing and distribution of Priority Mail, as announced in the Federal Register on October 20, 1995 (60 FR 54265). This program is needed to improve the handling of Priority Mail for achieving a level of on-time delivery higher than current levels. An environmental assessment, prepared by the Postal Service and dated November 1, 1995, concluded that the redesign program will have no effect or only a negligible effect on the components of the physical and cultural environments examined.

EFFECTIVE DATE: December 1, 1995.

FOR FURTHER INFORMATION CONTACT:

Anthony M. Pajunas, (202) 268-3669. Copies of the environmental assessment are available from Operations Networks Redesign, U.S. Postal Service, 425 L'Enfant Plaza SW, Washington, DC 20260-7165.

SUPPLEMENTARY INFORMATION: The Postal Service redesign program for its Priority Mail Processing System includes establishing Priority Mail processing centers at several new facilities along the East Coast. This program will segregate Priority Mail from other mail classes and process and distribute Priority Mail through dedicated facilities. Program performance will be evaluated during a test period, after which the Postal Service will determine further action.

An environmental assessment of the redesign program, dated November 1, 1995, was prepared by the Postal Service. The assessment concluded that, because of the small size of the proposed Priority Mail processing centers relative to the urban areas in which they are to be situated,

implementation of the program is expected to have no effect or only a negligible effect on the components of the physical and cultural environments examined. The program is expected, however, to have a significant effect on improving the on-time delivery performance of Priority Mail, as well as on the remaining components of the postal environment.

Based on the environmental assessment, the Postal Service finds and declares that the proposed action will not have a significant effect on the environment and, therefore, will not require the preparation of an environmental impact statement.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 95-29324 Filed 11-30-95; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36508; File No. 600-23]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Approving Application for Extension of Temporary Registration as a Clearing Agency

November 27, 1995.

On February 3, 1995, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") a request pursuant to Section 19(a)¹ of the Securities Exchange Act of 1934 ("Act") that the Commission grant GSCC full registration as a clearing agency under Section 17A of the Act² or in the alternative extend GSCC's temporary registration as a clearing agency until such time as the Commission is able to grant GSCC permanent registration.³ The Commission published notice of GSCC's request in the Federal Register on October 26, 1995.⁴ No comments were received. This order extends GSCC's

¹ 15 U.S.C. 78s(a) (1988).

² 15 U.S.C. 78q-1 (1988).

³ Letter from Charles A. Moran, President, GSCC, to Brandon Becker, Director, Division of Market Regulation ("Division"), Commission (February 3, 1995) ("February Registration Letter"). GSCC supplemented the February Registration letter in its letter from Charles A. Moran, President, GSCC, to Brandon Becker, Director, Division, Commission (September 15, 1995) ("September Registration Letter").

⁴ Securities Exchange Act Release No. 36398 (October 20, 1995), 60 FR 54895.

temporary registration as a clearing agency through November 30, 1996.⁵

GSCC provides clearance and settlement services for its members' transactions in government securities. GSCC offers its members services for next-day settling trades, forward settling trades, auction takedown activity, repurchase transactions ("repos"), the multilateral netting of trades, the novation of netted trades, and daily marking-to-the-market. In connection with GSCC's clearance and settlement services, GSCC provides a centralized loss allocation procedure and maintains margin to offset netting and settlement risks.

At the time of GSCC's initial temporary registration, the Commission granted GSCC exemptions from compliance with the participation standards in Sections 17A(b)(3)(B) and 17A(b)(4)(B)⁶ and with the fair representation requirements in Section 17A(b)(3)(C). GSCC has requested that the Commission rescind GSCC's exemption from the participation standards in Sections 17A(b)(3)(B) and 17A(b)(4)(B). As more fully set forth in the February Registration Letter, GSCC believes that it has adequately addressed the Commission's concerns regarding GSCC's membership eligibility standards by establishing new categories of membership.⁷ In the February Registration Letter, GSCC also stated that it believes its current method

⁵ On May 24, 1988, the Commission granted GSCC's initial application for registration as a clearing agency pursuant to Sections 17A and 19(a) of the Act and Rule 17Ab2-1 [17 CFR 240.17Ab2-1 (1994)] thereunder for a period of three years. Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639. The Commission subsequently extended GSCC's registration until November 30, 1995. Securities Exchange Act Release Nos. 29067 (April 11, 1991), 56 FR 15652; 32385 (June 3, 1993), 58 FR 32405; and 35787 (May 31, 1995), 60 FR 30324.

⁶ The Commission determined that GSCC's rules did not provide for all the statutory categories of membership required by Section 17A(b)(3)(B) or the financial standards for such applicants and members as contemplated by Section 17A(b)(4)(B). 15 U.S.C. 78q-1(b)(3)(B), 78q-1(b)(4)(B) (1988).

⁷ Since the Commission's original order granting GSCC temporary registration, the Commission has approved two proposed rule changes that increased the categories of those eligible for membership in GSCC's netting system. Securities Exchange Act Release Nos. 34935 (November 3, 1994), 59 FR 56100 (order approving establishing of new categories of netting system membership for futures commission merchants) and 32722 (August 5, 1993), 58 FR 42993 (order approving establishment of new categories of netting system membership for Category 2 dealers and interdealer brokers, issuers of government securities, insurance companies, registered clearing agencies, and registered investment companies). Under GSCC's rules, a Category 2 dealer netting member has a lower net worth threshold but more stringent margin requirements than Category 1 dealer members.

of selecting its Board of Directors assures members fair representation.⁸

GSCC has made substantial progress toward satisfying the requirements enumerated in Section 17A(b) of the Act. The Commission believes that while GSCC's new categories of membership are not extensively used at this time, GSCC is in compliance with the requirements of Sections 17A(b)(3)(B) and 17A(b)(4)(B) of the Act.⁹ Therefore, the Commission is eliminating GSCC's exemption from the provisions of Sections 17A(b)(3)(B) and 17A(b)(4)(B).

GSCC has recently introduced clearance and settlement services for certain repurchase agreement transactions.¹⁰ Because institutional entities are much more involved in the repo market than in the cash market, GSCC expects much greater utilization of its nontraditional membership categories (e.g., those membership categories for entities other than dealers and banks) in the coming years. The Commission believes that as the number of members in these nontraditional categories grows, GSCC should continue to review its criteria for membership in the various categories.

The Commission will continue GSCC's exemption from the fair representation standards of Section 17A(b)(3)(C) during the temporary registration period. Prior to granting permanent registration, the Commission will evaluate GSCC's criteria for selecting its Board of Directors to ensure that the selection criteria is sufficiently flexible to assure adequate representation of members in each of GSCC's membership categories consistent with Section 17A(b)(3)(C) of the Act.

It is therefore ordered that GSCC's temporary registration as a clearing agency (File No. 600-23) be and hereby is extended through November 30, 1996, subject to the terms set forth above.

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

⁸ GSCC's current selection process for its Board of Directors permits any GSCC member to nominate candidates for election to the Board and to vote for candidates so nominated. In the February Registration Letter, GSCC stated that it recognizes future membership growth may require GSCC to adjust the selection process to ensure fair member representation on the Board.

⁹ Currently, GSCC has one Category 2 dealer netting member and one futures commission merchant. None of the other membership categories discussed *supra* in note 7 are being used.

¹⁰ Securities Exchange Act Release No. 36491 (November 17, 1995).

¹¹ 17 CFR 200.30-3(a)(50)(i) (1994).

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-29319 Filed 11-30-95; 8:45 a.m.]

BILLING CODE 8010-01-M

[Release No. 34-36509; File No. SR-CHX-95-27]

Self-Regulatory Organizations; The Chicago Stock Exchange, Incorporated; Notice of Filing of Proposed Rule Change Relating to Chicago Stock Exchange, Incorporated's Decision To Withdraw From the Clearance and Settlement and Securities Depository Businesses

November 27, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 16, 1995, the Chicago Stock Exchange, Incorporated ("CHX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-CHX-95-27) as described in Items I, II, and III below, which items have been prepared primarily by CHX. 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 proposed rule change involves proposed arrangements relating to a decision by CHX to withdraw from the clearance and settlement, securities depository, and branch receive businesses conducted through its subsidiaries, the Midwest Clearing Corporation ("MCC"), Midwest Securities Trust Company ("MSTC"), and Securities Trust Company of New Jersey ("STC/NJ").² Parties to the proposed arrangements are The Depository Trust Company ("DTC"), CHX, MSTC, the National Securities Clearing Corporation ("NSCC"), MCC, and STC/NJ. The proposed arrangements as they relate to CHX would provide for the following:

(1) MSTC and MCC would cease providing securities depository and securities clearing services, respectively, by January 15, 1996.

(2) DTC would offer sole MSTC participants an opportunity to become DTC participants, if they meet DTC's qualifications. NSCC would offer sole

¹ 15 U.S.C. § 78s(b)(1)(1988).

² STC/NJ is a wholly-owned subsidiary of CHX that currently provides certain services, including a securities custody service. STC/NJ is not a clearing agency as defined in the Act and therefore is not required to register with the Commission.