A. By order approve such 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 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 25049. 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 in 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 CBOE. All submissions should refer to the file number in the caption above and should be submitted by May 13, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 17 CFR 200.30–3(a)(12).

Jonathan G. Katz,

Secretary.

[FR Doc. 96–9804 Filed 4–19–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–37116; File No. SR–MSRB–95–17]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Reports of Sales and Purchases

April 16, 1996.

I. Introduction

On December 13, 1995 the Municipal Securities Rulemaking Board (''Board'' or ''MSRB'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') a proposed rule change to require brokers, dealers and municipal securities dealers (''dealers'') to include time of trade execution when submitting information on inter-dealer transactions to the Board under rule G–14, in order to enhance the Board's transaction reporting pilot program (''the program'').

The proposed rule change was published for comment in Securities Exchange Act Release No. 36827 (February 9, 1996), 61 FR 6276 (''Proposing Release''). The Commission received two comments on the proposal.[1] For the reasons discussed below, this order approves the proposal to amend Board rule G–14, effective July 1, 1996, as requested by the Board in the Proposing Release.

II. Description of the Proposal

a. Purpose

As discussed in the Proposing Release, the proposed rule change is intended to improve the audit trail that is currently available for inter-dealer municipal securities transactions by requiring municipal dealers to include the time of trade execution when submitting information on their trades under Board rule G–14. This would make it possible to reconstruct the time sequence of interdealer transactions. The information would be made available, through the Board's automated transaction reporting system, to the Commission and to organizations charged with inspection for compliance with, and enforcement of, Board rules (''enforcement agencies'').

b. Background

This initiative is one element of an ongoing, multi-phase pilot program to increase price transparency for public use and to create audit trails for market surveillance purposes in the municipal securities markets. In 1994,[2] the Board described its plan to disseminate a daily public report that summarizes market activity for securities traded ''frequently''[3] on the previous day (''T+1''), and to construct a comprehensive ''surveillance database,'' that would include details of each trade (the identity of the parties, the price, par value, etc.). The 1994 plan proposed four phases: inclusion of inter-dealer transactions in Phase I, institutional customer transactions in Phase II,[4] retail customer transactions in Phase III, and intra-day reporting in Phase IV.

The Commission originally approved the pilot program in concept on November 9, 1995.[5] That order initiated the Board's transaction reporting program and operation of the supporting computer system, and was an important first step to increase transparency and market surveillance of the municipal securities market.

Accordingly, Phase I of the transaction reporting system has been operational since January 23, 1995. Each day, the system has produced a report of price and volume of inter-dealer transactions in ''frequently traded'' municipal securities executed on the previous business day. The system also generates a surveillance data base which includes, among other things, the price and volume of each compared trade, the trade date, identification of the security traded, and identification of all parties to each compared interdealer transaction.[6]

The information provided in the surveillance database is intended to enable the enforcement agencies to construct audit trails of inter-dealer transactions. The Board has provided on-line access to the surveillance database to the National Association of Securities Dealers, Inc. (''NASD'') and is making information from the surveillance database available to all the agencies responsible for enforcing Board rules. The proposed amendment to rule G–14 is intended to enhance the surveillance information currently available, and to make it more useful to those responsible agencies.

c. Timing

The Proposing Release notes that changes in the automated comparison system are underway to enable that system to collect time-of-trade

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[1] *See* letter from Joseph W. Sack, Senior Vice President, Public Securities Association, to Secretary, Securities and Exchange Commission, dated March 8, 1996 (''PSA letter''), and from The Executive Committee of the Regional Municipal Operations Association to the MSRB, dated March 22, 1996 (''RMOA letter''). The Commission notes that the RMOA letter was not submitted to the Commission as a comment letter specifically on this filing, but because the letter provides RMOA's comments on the proposed rule to require time of trade reporting, the Commission is considering the pertinent comments in the present order.

[2] *See* letter from Robert Drysdale, MSRB, to Arthur Levitt, SEC, dated November 3, 1994.

[3] Currently, the threshold for ''frequent'' trading is four or more trades in one day.

[4] ''Institutional'' transactions were defined for the purpose of Phase II as customer transactions settled on a delivery *versus* payment/receipt *versus* payment (DVP/RVP) basis. These are transactions in which the customer requires that settlement occur with an exchange of money and securities at the time of settlement. Generally, institutional customers require DVP/RVP settlement and retail customers do not.

[5] *See* Securities Exchange Act Release No. 34955 (November 9, 1994), 59 FR 59810 (order approving Phase I of the MSRB's transaction reporting pilot program). The input stream for inter-dealer transaction reporting under Phase I is transaction information reported by dealers, pursuant to Board rule G–14, to the Board through the automated comparison system. The Board has designated National Securities Clearing Corporation (''NSCC''), the central facilities provider of the automated comparison system, as its agent for receiving inter-dealer transaction information.

[6] The Commission has recently approved the requirement to identify all dealers that are parties to a trade when submitting transaction information to the Board. *See* Securities Exchange Act Release No. 35988 (July 18, 1995), 60 FR 38069.

information, and dealers and service providers must make corresponding changes in order to furnish to the MSRB the information that would be required under the proposal. To provide market participants with sufficient time to make the necessary internal system changes, the Board has requested that the Commission make the proposed rule change effective on July 1, 1996.

The Proposing Release also describes the MSRB's revised plan to delay implementation for Phase II by merging that phase with Phase III of the program.[7] According to the MSRB, notice was to be made available to the Commission and the industry by the end of 1995, outlining the new plan and requesting comment from industry participants. Corresponding proposed amendments to rule G–14 will be filed with the Commission in mid-1996. The Commission notes that the Proposing Release included a discussion of this new schedule, but did not formally propose a revised schedule or rule amendment for Commission review at this time.

d. Comments Received by the MSRB Prior to Filing With the Commission

In its filing with the Commission, the Board stated that it received two comments on the proposal in response to a notice published by the MSRB which, among other things, had described the proposed rule change and requested comment from market participants.[8]

According to the Board, one commentor[9] that responded to the MSRB publication stated that time-of-trade reporting would involve ''major and possibly costly'' system changes to dealer systems. This commentor, according to the Board, believed that time-of-trade reporting should be delayed until retail customer transactions are added to the transaction reporting program, so that dealers and clearing agencies could make the needed changes in conjunction with more extensive changes foreseen for the later phases. The MSRB further explained that the second commentor that responded to the MSRB publication[10] stated that many firms would incur development costs to modify their trading systems to accommodate time-of-trade information.

The Board responded to the above concerns in the Proposing Release. The Board believes that the proposed rule change is essential to facilitating effective surveillance and enforcement activities regarding inter-dealer transactions and should not be delayed until later phases of the transaction reporting program. The Board does not believe that incorporating time-of-trade data into current trade reporting systems represents a major system change. The Board further believes that the proposed rule change would merely add one item of information to an existing reporting requirement. That information item already is required, for record-keeping purposes, to be recorded by the dealer. Finally, the Board has proposed more than six months' lead time from its publication date to the effective date to allow dealers sufficient time to schedule the necessary system changes. In many cases, it would be expected that this change could be made in connection with other minor system adjustments that must be implemented in the ordinary course of business.

III. Comments

As noted above, the Commission received two comments on the proposal.[11] Both commenters opposed approval of the proposed rule change.

The commenters made essentially the same arguments that were made to the MSRB prior to filing discussed above. Specifically, one commenter, noting that it had already commented to the MSRB on the proposed rule change, continues to oppose the proposed rule change because of the costs that it would impose on dealers.[12] The commenter asserts that, in light of other costs currently imposed on municipal dealers, along with the MSRB's plans to require new systems by January 1998 for institutional and customer transaction reporting, implementation of the present proposal should be delayed until the requisite systems changes can be merged with those that will be required for the January 1998 transparency initiatives.

With respect to the present proposed rule change, the second commenter believes that time of trade information will be useful when the Board begins to take trade data beyond the dealer-to-dealer business.[13] The commenter does not see the usefulness of the information now, however. This commenter recommends postponing the proposed rule change ''in favor of a more logical progression toward the desired goals.''[14]

IV. Discussion and Order Approving Proposed Rule Change

The Commission believes the proposed rule change, effective as requested on July 1, 1996, is consistent with Section 15B(b)(2)(C) of the Securities Exchange Act of 1934, which requires, in pertinent part, that the Board's rules:

> be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating * * * transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest * * *.

While the Commission is sympathetic to the commenters' concerns regarding implementation costs, the Commission agrees with the MSRB that time of trade will be useful to enforcement agencies in determining the sequence of trades. This, in turn, should improve market surveillance capabilities in identifying dealer trading patterns that warrant further investigation to determine whether potentially violative practices have occurred. These improvements in the audit trail for market surveillance of the municipal securities markets should assist in preventing fraudulent and manipulative acts and practices and, in general, protect investors and the public interest, in furtherance of the above stated statutory objectives.

In this regard, the Commission previously has noted the need to make an ''integrated audit trail'' of transaction information available to the enforcement agencies. The Commission has expressed its belief that an audit trail will ''provide valuable information for market surveillance and inspection purposes to the MSRB, the Commission, the NASD, and the relevant banking agencies.''[15] Time of trade should prove useful as the MSRB moves toward coordinating its increasingly ''integrated'' audit trail.

The Commission also notes that, since its inception, the pilot program for trade reporting has been a multi-phase

[7] In 1994, the MSRB had planned to obtain institutional trade data from the Institutional Delivery (''ID'') System, operated by Depository Trust Corporation (''DTC''). After further research into this matter, however, the MSRB has determined that it is appropriate to merge Phases II and III of the program. Under this modified approach, dealers would be required to report selected information about institutional and retail customer trades to the Board by uploading the data from their own systems to the central system operated by the Board. The Commission has not approved this modified schedule.

[8] *See* ''Transaction Reporting Program for Municipal Securities: Phase II,'' *MSRB Reports*, Vol. 15, No. 1 (April 1995), at 11–15.

[9] The Public Securities Association provided this comment.

[10] Goldman, Sachs & Co provided this comment.

[11] *See* note 1, *supra*.

[12] *See* PSA letter, *supra* note 1.

[13] *See* RMOA letter, *supra* note 1.

[14] *Id*.

[15] Securities Exchange Act Release No. 34955, *supra* note 4, at 19.

program that, as proposed and approved in concept, would require market participants to make numerous systems changes. Thus, the requisite systems changes to report time of trade is one element of the on-going initiative, about which participants have been on notice for more than a year. Time of trade will not only be useful in market surveillance efforts for the present phase of the pilot program, but time of trade will continue to be needed when retail trade reports are required. Moreover, the MSRB has proposed, and the Commission is approving, a delayed effective date so that dealers may attempt to merge these systems enhancements with any others that may be required internally by dealers.

Finally, while the Commission has not yet formally reviewed or approved the MSRB's proposal to delay institutional trade reporting until that phase can be merged with customer trade reporting, the Commission believes that market surveillance efforts and transparency are both essential elements of the overall pilot program and, therefore, one aspect of the program should not be delayed because technical difficulties have slowed progress in another aspect of the program. In this regard, the Commission looks forward to working with the MSRB and market participants toward continued swift improvements in both market surveillance and price transparency in the municipal securities markets.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[16] that the proposed rule change (SR–MSRB–95–17), effective July 1, 1996, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[17]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9802 Filed 4–19–96; 8:45 am]

BILLING CODE 8010–01–M

[16] 15 U.S.C. § 78s(b)(2) (1988).

[17] 17 CFR 200.30–3(a)(12) (1991).

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

DATES: Comments should be submitted on or before June 21, 1996.

FOR FURTHER INFORMATION CONTACT: Curtis B. Rich, Management Analyst, Small Business Administration, 409 3d Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202–205–6629. Copies of these collections can also be obtained.

SUPPLEMENTARY INFORMATION:

Title: Surety Guarantee Graduation Questionnaire.

Type of Request: New Information Collection.

Description of Respondents: Surety Companies participating in SBA's Surety Bond Guarantee Program.

Annual Responses: 43.

Annual Burden: 3½.

Title: Surety Guarantee Loss and Recovery Survey.

Type of Request: New Information Collection.

Description of Respondents: Surety Companies participating in SBA's Surety Bond Guarantee Program.

Annual Responses: 43.

Annual Burden: 2.

Comments: Send all comments regarding these information collections to Robert J. Moffitt, Associate Administrator, Office of Surety Guarantees, Small Business Administration, 409 3d Street, S.W., Washington, D.C. 20416. Phone No.: 202–205–6540. Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize this estimate, and ways to enhance the quality.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 96–9852 Filed 4–19–96; 8:45 am]

BILLING CODE 8025–01–M

TENNESSEE VALLEY AUTHORITY

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Tennessee Valley Authority (Meeting No. 1483).

TIME AND DATE: 10 a.m. (EDT), April 24, 1996.

PLACE: University of North Carolina, Owen Conference Center, Room 302, One University Heights, Asheville, North Carolina.

STATUS: Open.

Agenda

Approval of minutes of meeting held on February 21, 1996.

New Business

C—Energy

C1. Modifications and Supplemental Maintenance Contract with Stone & Webster Construction Company, Inc., for modifications and supplemental maintenance services at Browns Ferry, Sequoyah, and Watts Bar Nuclear Plants.

C2. Supplement to Modification and Supplemental Maintenance Support Contract No. 92PGN–77052E–03 with Gilbert-Commonwealth/Union Boiler/Morrison Knudsen Constructors (G–UB–MK) for TVA's fossil and hydro plants.

E—Real Property Transactions

E1. Abandonment of easement rights over an unused access right-of-way affecting 1.6 acres on the Cherokee-Pigeon Forge 161–kV transmission line in Sevier County, Tennessee (Tract No. CDPE–7AR).

E2. Sale of permanent easements and temporary construction easements affecting approximately 15.6 acres of Allen Fossil Plant property to the City of Memphis, Tennessee, for construction of a highway and railroad to serve an industrial area (Tract Nos. XALSP–2H and XALSP–3RR).

E3. Sale of noncommercial, nonexclusive permanent recreation easements affecting a total of 0.20 acre of Tellico Lake shoreline in Loudon and Monroe Counties, Tennessee (Tract Nos. XTELR–90RE, – 180RE).

E4. Deed modification affecting 0.03 acre of former TVA land on Pickwick Lake in Hardin County, Tennessee (Tract No. XPR–52:33).

E5. Sale of permanent easement to CSX Transportation, Inc., for a railroad bridge replacement project affecting approximately 0.19 acre of land on Guntersville Lake in Jackson County, Alabama (Tract No. XGR–735RR).

E6. Grant of a permanent easement to Hamilton County, Tennessee, for a bridge replacement project and road affecting approximately 0.902 acre of land on Chickamauga Lake in Hamilton County, Tennessee (Tract No. XTCR–189H).

E7. Sale of permanent easements to resolve encroachments affecting a total of 0.09 acre of land on Blue Ridge Lake in Fannin County, Georgia (Tract Nos. XBRR–10E, –11E and –12E).

E8. Sale of a 40-year easement to TIMCO, Inc., for industrial development affecting approximately 17.9 acres of land on Pickwick Lake in Tishomingo County, Mississippi (Tract No. XYECR–81E).

E9. Abandonment of approximately 100 acres of flowage easements rights in exchange for fee ownership of approximately 120 acres of Wilson Lake land in Lawrence County, Alabama (Tract Nos. WDRE–324 and WDRE–4A).

F—Unclassified

F1. Filing of condemnation cases.

Information Items

1. Supplement to Contract No. TV–62311A with Tennessee Emergency Management Agency.

2. Modification to the Economy Surplus Power (ESP) program to allow the temporary extension of existing ESP contracts with