

based in Sweden are oversubscribed. Applicants state that with respect to oversold offerings, a reasonable inference may be drawn that the underwriter is unlikely to have any improper incentive to cause an affiliated company to purchase the securities that are the subject of such offerings.⁵ Applicants submit that the practical realities of oversold offerings in Sweden effectively satisfy the firm commitment requirement of paragraph (a)(3) of rule 10f-3.

11. Applicants represent that the board of each International Fund will adopt internal procedures which are reasonably designed to provide that the conditions of the requested order are complied with with respect to the purchase of securities subject to section 10(f). In addition, the boards will determine, at least quarterly, that all purchases made during the preceding quarter were made in compliance with such procedures and will approve such changes to the procedures as such boards deem necessary.

12. Applicants believe that the representations and conditions of the requested order are at least as protective of the interests of investors in the International Funds as are the provisions of paragraph (a)(1) of Rule 10f-3 which require Securities Act registration. Furthermore, applicants believe that the representations and conditions will act to ensure that purchases of foreign securities by the International Funds through the Affiliated Syndicate are made in a manner consistent with the underlying policies of section 10(f) and rule 10f-3.

Applicants' Conditions

Applicants agree that any order granting the requested exemptive relief will be subject to the following conditions:

1. Applicants will comply with rule 10f-3, except for paragraph (a)(1).

2. All foreign securities purchased under circumstances otherwise subject to section 10(f) will be purchased in public offerings conducted in accordance with the applicable laws of the relevant Country and with the rules and regulations of the stock exchanges and regulated unlisted market(s), if any, in such Country, as applicable.

3. All foreign securities purchased under circumstances otherwise subject to section 10(f) will be either (i) admitted for trading on one or more of the official stock exchange(s) or

regulated unlisted market(s) in the relevant Country, or (ii) approved for admission to one or more of the relevant Country's official exchange(s) or regulated unlisted market(s) but not yet admitted or listed.

4. All subject foreign issuers will make available to prospective purchasers financial statements, audited in accordance with the accounting standards of the relevant Country, for at least the two years prior to purchase.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-17502 Filed 7-9-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37398; File No. SR-Phlx-96-19]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., To Establish a Firm Facilitation Exemption

July 2, 1996.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 3, 1996, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 is proposing to adopt a firm facilitation exemption from position and exercise limits applicable to both index and equity options for up to two times above the existing limits.

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 proposing to establish a firm facilitation exemption³ for all non-multiply-listed Exchange options by adding new Commentary .08 to Exchange Rule 1001 and new Commentary .02 to Exchange Rule 1001A.⁴ The exemption would be available to equity and index options, including customized options.⁵

Under the proposal, the procedures in Exchange Rule 1064(b) for crossing a customer order with a firm facilitation order must be followed. Moreover, only after all market participants in the trading crowd have been given a reasonable opportunity to accept the terms, may the representing Floor Broker cross all or any remaining part of such order in accordance with the rule. According to the Phlx, the purpose of this procedure is to ensure that the trading crowd cannot first facilitate the order before resorting to a position limit exemption for the facilitating firm. Thus, only after it is determined that the trading crowd will not fill the order may the firm's customer order be crossed with the firm's facilitation order pursuant to the exemption.

The Phlx notes that the firm facilitation provision will be in addition to and separate from the standard limit, as well as other exemptions available under Exchange position limit rules. For example, if a member organization decides to facilitate customer orders in ABC options, which is assumed not to be multiply-listed and also assumed to have a 10,500 contract standard position limit, the member organization may qualify for a firm facilitation exemption of up to twice that limit (21,000 contracts), as well as an equity hedge

³ The Commission notes that a facilitation trade is defined as a transaction that involves crossing an order of a member firm's public customer with an order for the member firm's proprietary account.

⁴ The Exchange notes that its rule filing is similar to proposals which the Commission has recently approved for other options exchanges. See Securities Exchange Act Release Nos. 36964 (March 13, 1996), 61 FR 11453 (March 20, 1996) (File No. SR-CBOE-95-68); 37178 (May 8, 1996), 61 FR 24523 (May 15, 1996) (File No. SR-PSE-96-10); 37179 (May 8, 1996), 61 FR 24520 (May 15, 1996) (File No. SR-Amex-96-11).

⁵ See Securities Exchange Act Release No. 37048 (March 29, 1996), 61 FR 15549 (April 8, 1996) (File No. SR-Phlx-96-08).

⁵ See *Investment Company Acquisition of Securities Underwritten by an Affiliate of that Company*, Investment Company Act Release No. 14924 (Jan. 29, 1986).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4.

exemption of up to twice the standard limit (21,000 contracts), in addition to the 10,500 contract standard limit. If both exemptions are allowed, the facilitation firm may hold or control a combined position of up to 52,500 ABC contracts on the same-side of the market.⁶

The Phlx notes, however, that the firm facilitation exemption would not presently extend to all options listed on the Exchange. Rather, until coordinated intermarket procedures are developed, the firm facilitation exemption will be extended only to non-multiply-listed options.

Under the proposal, the facilitation exemption requires prior approval from two Floor Officials and submission of a Firm Facilitation Form.⁷ Although approval may be granted on the basis of verbal representations, the facilitation firm is required to furnish to the Market Surveillance Department, within two business days or such other time period designated by the Exchange,⁸ appropriate forms substantiating the basis for the exemption.

The Exchange notes, however, that the facilitation firm need not have the customer order in hand when requesting the exemption, as long as the exemption is properly used to facilitate a customer order pursuant to the rule. Because the provision states the position "will facilitate" a customer order, a firm approaching the limit may request an exemption prior to receiving an order, in response to customer interest.

Within five business days after the execution of a facilitation exemption order, a facilitation firm must hedge all exempt option positions that have not previously been liquidated, and furnish to the Market Surveillance Department documentation reflecting the resulting hedged positions. In meeting this requirement, and to ensure fair and orderly markets, the facilitation firm must establish and liquidate its own as

well as its customer's option and stock positions (or their equivalent) in an orderly fashion, and not in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes.

In addition, a facilitation firm is not permitted to use the facilitation exemption with a view toward taking advantage of any differential in the price between a group of securities and an overlying stock index option. According to the Phlx, this prohibition against index arbitrage should prevent undue market impact on the options or any underlying stock positions by preventing the increased positions from being used in a leveraged manner. Moreover, to facilitate surveillance and to ensure an accurate audit trail, the facilitation firm is required to promptly provide to the Exchange any information or documents requested concerning the exempted and hedged positions, to furnish copies of the relevant order tickets to the market Surveillance Department on the day of execution, and to notify the Exchange of any material change in the exempted option position or the hedge.

The Exchange is also proposing several minor changes to its rules. First, the introductory paragraph to Exchange Rule 1001 is to be amended to list the 20,000 and 25,000 contract position limit tiers, which were inadvertently omitted when Commentary .05(a) was amended to adopt these limits.⁹ Second, Exchange Rule 1064(b) is to be amended to eliminate the incorrect limitation to "equity" options, as this provision applies to index options as well. Third, the equity option hedge exemption contained in Commentary .07 to Exchange Rule 1001 is to be amended to state that the exemption is available up to "two times above" existing limits, as opposed to "three times" the limits, as currently stated. The maximum size of the exemption is not being changed, just rephrased in terms of the excess number of contracts above the applicable position limit. In this manner, the provision will be consistent with the index option hedge exemption of the Phlx as well as other exchanges.¹⁰ Fourth, the equity option hedge exemption is to be amended to state that it is separate from any other exemption available under Exchange rules.

⁹ See Securities Exchange Act Release No. 36409 (October 23, 1995), 60 FR 55399 (October 31, 1995) (File No. SR-Phlx-95-71).

¹⁰ See Phlx Rule 1001A, Commentary .01. See also CBOE Rule 4.11, Interpretations and Policies .04(b).

2. Statutory Basis

For these reasons, the Phlx believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and with Section 6(b)(5) in particular,¹¹ in that it is designed to facilitate transactions in securities, to protect investors and the public interest, and will accommodate the needs of investors and other market participants without substantially increasing concerns regarding manipulation and other trading abuses.

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

The self-regulatory organization does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

No written comments were solicited or received with respect to 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 longer 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 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

¹¹ 15 U.S.C. 78f(b)(5) (1988).

⁶ In addition, exercise limits will continue to correspond to position limits, such that investors may exercise the number of contracts set forth as the position limit as well as those contracts exempted by this proposal, during five consecutive business days. See Exchange Rules 1002 and 1002A.

⁷ According to the Phlx, the purpose of the Firm Facilitation Form is to detail the terms of the customer order and the resulting facilitation, as well as to ensure compliance with the exemption. In addition, pursuant to the existing requirements of Exchange Rule 1064(b), facilitation orders must be marked with an "F" prior to executing facilitating trades. Lastly, Firm Facilitation Forms will be made available at the Exchange's Surveillance Post.

⁸ Telephone Conversation between Edith Hallahan, Special Counsel, Regulatory Services, Phlx, and Matthew S. Morris, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, on June 19, 1996.

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-96-19 and should be submitted by July 29, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Jonathan G. Katz,
Secretary.

[FR Doc. 96-17501 Filed 7-9-96; 8:45 am]

BILLING CODE 8010-01-M

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 September 9, 1996.

FOR FURTHER INFORMATION CONTACT: Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S.W. Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629.

SUPPLEMENTARY INFORMATION:

Title: "Disaster Business Loan Application".

Type of Request: Extension of a Currently Approved Collection.

Description of Respondents: Small Business.

Annual Responses: 10,500.

Annual Burden: 31,500.

Comments: Send all comments regarding this information collection to Bridget Dusenbury, Disaster Resource Specialist, Office of Disaster Assistance, Small Business Administration, 409 3rd Street, S.W. Suite 6050 Washington, D.C. 20416. Phone No.: 202-205-6734.

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. 96-17518 Filed 7-9-96; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Reports, Forms and Recordkeeping Requirements; Agency Information Collection Activity Under OMB Review

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice and request for comments.

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 1995 (44 U.S.C. Chapter 35).

DATES: Interested persons are invited to submit comments on or before August 4, 1996.

ADDRESSES: Written comments on the DOT information collection requests should be forwarded, as quickly as possible, to the Office of Management and Budget, New Executive Office Building, Room 10202, Attention DOT/FAA Desk Officer, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT:

Judith Street, ABC-100; Federal Aviation Administration; 800 Independence Avenue, S.W.; Washington, DC 20591; Telephone number (202) 267-9895.

SUPPLEMENTARY INFORMATION: Section 3507 of Title 44 of the United States Code, as adopted by the Paperwork Reduction Act of 1995, requires that agencies prepare a notice for publication in the Federal Register, listing 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. The Federal Register Notice with a 60-day comment period soliciting comments on the

following collection of information was published on April 8, 1996 [FR 61, page 15557].

Title: Indirect Air Carrier Security, FAR 14 Part 109

OMB Control Number: 2120-0505

Abstract: FAR 14 Part 109 sets forth procedures to be used by indirect air carriers in carrying out their responsibilities involving the protection of persons and property against acts of criminal violence, aircraft piracy, and terrorist activities in the forwarding of package cargo by passenger aircraft.

Need: FAR 109 prescribes aviation security rules governing each person (including freight forwarder and any cooperatives shippers' association) engaged, or who intends to be engaged indirectly in the air transportation of package cargo that is intended for carriage aboard a passenger-carrying air carrier aircraft inside the United States.

Respondents: The respondents are an estimated 2,500 indirect air carriers.

Frequency: On occasion.

Burden: Total annual burden hours requested: 641.

Issued in Washington, DC on July 3, 1996.

Phillip A. Leach,

Information Clearance Officer, United States Department of Transportation.

[FR Doc. 96-17569 Filed 7-9-96; 8:45 am]

BILLING CODE 4910-13-P

RTCA, Inc., Special Committee 184; Minimum Performance and Installation Standards for Runway Guard Lights

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463, 5 U.S.C. Appendix 2), notice is hereby given that the Special Committee 184 meeting, announced at 61 FR 32473 (June 24, 1996), has been changed from July 10 to July 30, 1996. The meeting, starting at 9:30 a.m., will be held at RTCA, 1140 Connecticut Avenue, NW., Suite 1020, Washington, DC 20036.

The agenda will be as follows: (1) Administrative Announcements; (2) Chairman's Introductory Remarks; (3) Review and Approval of Meeting Agenda; (4) Review and Approval of Minutes of the Previous Meeting; (5) Review Comments Received from Proposed Final Draft; (6) Complete Editorial and Comment Cleanup on Proposed Final Draft; (7) Other Business; (8) Date and Place of Next Meeting.

Attendance is open to the interested public but limited to space availability. With the approval of the chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain

¹² 17 CFR 200.30-3(a)(12).