

through the use of new data processing and communications techniques, the efficiency with which transactions in PHLX equity and index options are executed. Further, the Exchange believes that AUTOM fosters competition among options exchanges, which have similar systems in place.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The PHLX 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 either solicited or received.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Exchange has requested that the proposed rule change be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act.

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, the requirements of Sections 6 and 11A.⁶ Specifically, the Commission continues to believe that the development and implementation of the AUTOM system provides for more efficient handling and reporting of orders in PHLX options through the use of new data processing and communications techniques, thereby improving order processing and turnaround time.⁷ The Commission does not object to an extension of the pilot program until June 30, 1997, in response to the PHLX's assertion that continuation of the pilot will provide the Exchange with an opportunity to continue to study its effectiveness prior to permanent approval of the program.⁸

The Commission notes further that the Exchange has represented that from

January 1996 through November 1996, no significant problems have been reported with AUTOM's routing or execution functions, which have functioned properly and efficiently.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register in order to permit the PHLX to continue the AUTOM pilot program on an uninterrupted basis. Specifically, the Commission believes that the PHLX's proposal to extend the AUTOM pilot program does not raise any new issues since it merely extends the pilot program as it is currently operating. Further, the Commission believes that the pilot is beneficial in maintaining the quality and efficiency of the PHLX's market. In addition, the Commission notes that there have been no adverse comments concerning the pilot program since its implementation. Accordingly, the Commission believes that granting accelerated approval of the proposed rule change is appropriate and consistent with Sections 6 and 11A of the Act.

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, N.W., Washington, D.C. 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, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by [insert date 21 days after the date of this publication].

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the

proposed rule change (SR-PHLX-96-51) is approved through June 30, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-38100; File Nos. SR-SCCP-96-10 and SR-Philadep-96-19]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Philadelphia Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval on a Temporary Basis of Proposed Rule Changes Relating to Participants Fund Formulas

December 30, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 15, 1996, the Stock Clearing Corporation of Philadelphia ("SCCP") and the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes (File Nos. SR-SCCP-96-10 and SR-Philadep-96-19) as described in Items I and II below, which items have been prepared primarily by SCCP and Philadep. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval on a temporary basis of the proposed rule changes through June 30, 1997.

I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes

The proposed rule changes seek permanent approval of SCCP's and Philadep's participants fund formulas. On February 22, 1996, the Commission granted partial temporary approval to proposed rule changes establishing SCCP's and Philadep's participants fund formulas in connection with the industry conversion to same-day funds settlement ("SDFS").² On August 29, 1996, the Commission extended the

¹⁰ 17 CFR 200.30-3(a)(12) (1995).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release Nos. 36875 (February 22, 1996), 61 FR 7846 [SR-SCCP-95-06] and 36876 (February 22, 1996), 61 FR 7841 [SR-Philadep-95-08] (orders granting partial permanent and partial temporary approval through August 31, 1996, of proposed rule changes).

⁶ 15 U.S.C. § 78f and 78k-1 (1988).

⁷ In approving the rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. § 78c(f).

⁸ The PHLX will submit a request for permanent approval of the program no later than May 1, 1997. This request will be accompanied by a report covering the period between June 30, 1996, and January 1, 1997, that will include: (1) a description of the benefits provided by AUTOM; (2) the degree of AUTOM usage, including the number and size of the orders routed through AUTOM and the number and size of the orders executed automatically through the AUTO-X system; (3) the system capacity of AUTOM and AUTO-X; and (4) any problems the Exchange has encountered with the routing and execution features.

⁹ 15 U.S.C. § 78s(b)(2) (1982).

temporary approval of the proposed rule changes through December 31, 1996.³

II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In its filing with the Commission, SCCP and Philadep included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments that they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. SCCP and Philadep have prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.⁴

(A) Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

On February 22, 1996, SCCP and Philadep converted their processing environment from a next-day funds settlement system to a SDFS system. In an effort to reduce risk in a SDFS environment, SCCP and Philadep put in place a new system and new controls with enhanced processing capabilities. As a part of their conversion to SDFS, SCCP and Philadep established new participants fund formulas.

Both Philadep's and SCCP's Rule 4, which govern the participants fund and the procedures regarding the participants fund formulas, currently provide for an all cash participants funds. The all cash requirement applies to both the required deposits and any additional or voluntary deposits made by participants.

Pursuant to Rule 4 of SCCP's rules and the procedures thereunder, SCCP calculates participants' required cash deposits pursuant to the following formulas:

(a) Inactive Account: \$5,000⁵

(b) Full Service ("CNS") Account—The contribution of a CNS Participant is based upon the larger of: (1) the participant's monthly average of trading activity during

the preceding three months, \$1,000 for every twenty-five trading units of one hundred shares; or (2) the participant's aggregate dollar amount of all long trades at their execution price for the prior three months divided by the number of days in the prior three months multiplied by two percent. The required contributions are rounded upward to \$5,000 increments, and the average is a rolling average.

(c) Regional Interface Operations ("RIO") Account—The contribution of a RIO Participant is based on the participant's monthly average of trading activity during the preceding three months, \$1,000 for every twenty-five trading units of one hundred shares (with a \$10,000 minimum and a \$75,000 maximum contribution). The required contributions are rounded upward to \$5,000 increments. A RIO Account is defined as a participant account whereby the participant elects to settle with a clearing corporation other than SCCP.

(d) Layoff Account—The contribution of a Layoff Participant is set at a uniform rate of \$25,000. A Layoff Participant Account is defined as a participant account whereby the participant elects to settle with a clearing corporation other than SCCP for trades not executed on the Philadelphia Stock Exchange.

(e) Specialist Margin Account—The contribution of a Specialist Margin Participant is set at a uniform rate of \$35,000.

(f) Non-Specialist Margin Account—The contribution of a Non-Specialist Margin Participant is set at a uniform rate of \$35,000.

Pursuant to Rule 4 of Philadep's rules and the procedures thereunder, Philadep calculates participants' required cash deposit pursuant to the following formulas:

(a) Inactive Accounts: \$5,000.00⁶

(b) Specialized Services: (maximum \$50,000 required with \$100 or greater in average monthly billings for either Deposit or Transfer activity)
—Deposit Activity: \$25,000.00 plus
—Transfer Activity: \$25,000.00

(c) Participants not doing Specialized Service activity with service fees of \$100 or greater in average monthly billings. The greater of either:

(1) \$25,000 or

(2) 1% of the average of the three highest net debits over the past three months (rounded to the next \$5,000 increment).

Both SCCP and Philadep recalculate each participant's deposit requirement at the end of each month based on a participant's activity for the previous three months prior to the most recent month. SCCP and Philadep notify their participants of the amount of any required deposit increase within ten

business days of the end of the month. Participants whose deposit requirements have decreased are notified at least quarterly although they may inquire and withdraw excess deposits monthly. Participants may leave excess cash deposits in the participants fund. SCCP participants with deposits in excess of \$50,000 receive interest rebates from SCCP.

The temporary approval periods for SCCP's and Philadep's participants fund formulas expire on December 31, 1996. Therefore, SCCP and Philadep have requested that the Commission permanently approve their participants fund formulas.

SCCP and Philadep believe the proposed rule changes are consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because the rule proposals will promote the prompt and accurate clearance and settlement of securities transactions and will assure the safeguarding of securities and funds in the custody or control of SCCP and Philadep or for which SCCP and Philadep are responsible.

(B) Self-Regulatory Organizations' Statement on Burden on Competition

SCCP and Philadep do not believe that the proposed rule change will impact or impose a burden on competition.

(C) Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received From Members, Participants, or Others

No written comments have been solicited or received. SCCP and Philadep will notify the Commission of any written comments received by SCCP and Philadep.

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

Section 17A(b)(3)(F) of the Act⁷ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. While the Commission believes at this time that some of SCCP's and Philadep's participants fund formulas are consistent with this obligation, the Commission continues to have concerns about the adequacy of some of SCCP's and Philadep's participants fund formulas in providing a sufficient source of cash liquidity and in meeting the standards set forth by the

³ Securities Exchange Act Release Nos. 37623 (August 29, 1996), 61 FR 47229 [SR-SCCP-96-07] (order granting temporary approval through December 31, 1996 of a proposed rule change) and 37625 (August 30, 1996), 61 FR 47227 [SR-Philadep-9-14] (order granting partial permanent approval and partial temporary approval of a proposed rule change through December 31, 1996).

⁴ The Commission has modified the text of the summaries submitted by SCCP and Philadep.

⁵ Securities Exchange Release No. 37554 (August 9, 1996), 61 FR 42929 [File No. SR-SCCP-96-03] (order granting temporary approval of a proposed rule change to establish a separate participant category for inactive accounts through December 31, 1996).

⁶ Securities Exchange Release No. 37554 (August 9, 1996), 61 FR 42929 [File No. SR-Philadep-96-07] (order granting temporary approval of a proposed rule change to establish a separate participant category for inactive accounts through December 31, 1996).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

Division of Market Regulation
("Division").⁸

The Commission believes that clearing agencies operating SDFS systems must have sufficient liquidity from a combination of cash and lines of credit to ensure that settlement occurs at the end of the business day even if a participant fails to settle with the clearing agency or if the clearing agency experiences a systems problem. The Commission further believes that a clearing agency must have immediate access to an amount of cash which will enable the clearing agency to fund settlement for most participant failures or systems problems without having to immediately draw on its lines of credit (i.e., a clearing agency's lines of credit should be its secondary source of liquidity and not its primary source). Given the demand for liquidity under an SDFS environment and in light of SCCP's use of its participants fund to finance specialists purchases, the Commission has concerns about the sufficiency of the levels of cash liquidity provided by SCCP's and Philadep's formulas.⁹ For these reasons, the Commission is approving the proposed rule changes through June 30, 1997, in order that the Commission, SCCP, and Philadep can continue to analyze the adequacy of SCCP's and Philadep's participants formulas.

SCCP and Philadep have requested that the Commission approve the proposed rule changes on an accelerated basis. The Commission finds good cause for approving the proposed rule changes prior to the thirtieth day after the date of publication of notice of filing because the proposed rule changes will allow SCCP and Philadep to continue to apply their participants fund formulas when the current temporary approvals expire on December 31, 1996.¹⁰

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, N.W., Washington, D.C. 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 in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of SCCP and Philadep.

All submissions should refer to file numbers SR-SCCP-96-10 and SR-Philadep-96-19 and should be submitted by January 28, 1997.

It is therefore ordered pursuant to Section 19(b)(2) of the Act, that the proposed rule changes (File Nos. SR-SCCP-96-10 and SR-Philadep-96-19) be, and hereby are approved.

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

Margaret H. McFarland,
Deputy Secretary.

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

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

AGENCY: Department of Transportation (DOT).

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended) this notice announces the Department of Transportation's (DOT) intention to request extensions for eight currently approved information collections coming up for renewal, and reinstatement, without change, of a previously approved collection for which approval has expired. The Federal Register Notice with a 60-day comment period soliciting comments on the following collections of information was published on October 22, 1996 [FR

61, page 54832]. 1. Transfer Procedures/Waste Management Plans; 2. Vital System Automation; and 3. Vessels Reporting Requirements. The Federal Register Notice with a 60-day comment period soliciting comments on the following collections of information was published on October 29, 1996 [FR 61, page 55834-55835]. These ICRs include: 1. Boating Accident Report; 2. Certificate of Discharge to Merchant Mariners; 3. Report of Oil or Hazardous Substance Discharge; 4. Plan Approval and Records for Marine Engineering Systems; 5. Benzene; and 6. Vessel Identification System (VIS).

DATES: Comments on this notice must be received on or before February 6, 1997.

FOR FURTHER INFORMATION CONTACT: Barbara Davis, U.S. Coast Guard, Office of Information Management, telephone (202) 267-2326.

SUPPLEMENTARY INFORMATION:

U.S. Coast Guard

1. Title: Boating accident Report.
OMB Control Number: 2115-0010.
Form Number(s): CG-3865, CG-3865A.

Type of Request: Extension of a currently approved collection.

Affected Entities: Operators of recreational boats.

Abstract: The collection of information requires operators of recreational boats that are involved in an accident to notify the nearest reporting authority of the accident and submit a casualty or accident report to that authority.

Need: Title 46 U.S.C. 6102(a) requires the establishment of a uniform marine casualty reporting system, with regulations prescribing casualties to be reported and the manner of reporting. The statute requires a State to compile and submit to the Coast Guard; reports, information and statistic on casualties that are reported to the State.

Estimated Burden: The estimated burden is 4,232 hours annually.

2. Title: Certificate of Discharge to Merchant Mariners.

OMB Control Number: 2115-0042.
Form Number(s): CG-718A.

Type of Request: Extension of a currently approved collection.

Affected Entities: Masters or Mates of Shipping Companies and Merchant Mariners.

Abstract: This collection of information requires a master or mate of a shipping company to submit information on merchant mariners to the U.S. Coast Guard that: (1) establishes their sea service time; (2) sets forth their qualifications for their original or upgrading their existing credentials; and

⁸ Securities Exchange Act Release No. 16900 (June 17, 1980), 45 FR 41920 (order publishing standards to be used by the Division in reviewing the grant of full registration of clearing agencies).

⁹ For a complete description of SCCP's and Philadep's financing program, refer to Securities Exchange Act Release No. 20221 (September 23, 1983), 48 FR 45167 (order approving full registration of SCCP, Philadep, et al.).

¹⁰ The staff of the Board of Governors of the Federal Reserve System has concurred with the Commission's granting of accelerated approval of Philadep's proposed rule change. Telephone conversation between John Rudolph, Board of Governors of the Federal Reserve System, and Chris Concannon, Staff Attorney, Division, Commission (December 30, 1996).

¹¹ 17 CFR 200.30-3(a)(12).