

("Act"),<sup>1</sup> notice is hereby given that on December 3, 1996, the Participants Trust Company ("PTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PTC-96-08) as described in Items I, II, and III below, which items have been prepared primarily by PTC. 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 extends the close of the Collateral Loan Facility ("CLF") processing vs. payment from 3:30.59 p.m. to 4:00.59 p.m. and extends the deadline for participants to send settlement wire payments to PTC from 4:15 p.m. to 4:30 p.m., beginning on January 6, 1997.

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

In its filing with the Commission, PTC 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. PTC has prepared summaries, set forth in sections (A), and (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

The purpose of the proposed rule change is to extend the close of the CLF processing vs. payment from 3:30.59 p.m. to 4:00.59 p.m. To accommodate the processing extension, the deadline for participant settlement wire payments due PTC also will be extended from 4:15 p.m. to 4:30 p.m. to allow participants sufficient time to arrange for payment when the participant's settlement balance changes as a result of the additional one-half hour financing period. Current opening times and all other deadlines will remain unchanged.

Participants have requested that the extension of the close of the CLF for an additional one-half hour after the normal 3:30.59 p.m. close for regular transaction vs. payment processing be

implemented as part of PTC's program to make Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") securities eligible for PTC's book-entry system to allow participants additional time to finance their positions. PTC plans to implement the rule change on January 6, 1997, so that the new deadlines can be evaluated before the FHLMC and FNMA program is implemented.

PTC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>3</sup> and the rules and regulations thereunder because it assures the safeguarding of securities and funds in PTC's custody or control or for which it is responsible.

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

PTC does not believe that the proposed rule change imposes any burden on competition.

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

Participants have requested that PTC make the proposed rule change. PTC has not solicited nor received any 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 has become effective pursuant to Section 19(b)(3)(A)(i) of the Act<sup>4</sup> and pursuant to Rule 19b-4(e)(1)<sup>5</sup> promulgated thereunder because the proposal is concerned solely with the administration of PTC. At any time within sixty days of the filing of such 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.

#### 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, 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 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 PTC. All submissions should refer to File No. SR-PTC-96-08 and should be submitted by February 12, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,  
Deputy Secretary.

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[Release No. 34-38168; File No. SR-Phlx-96-52]

#### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc. Relating to Customized Foreign Currency Option Expiration Times

January 14, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on December 20, 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 and II below, which Items have been prepared by the self-regulatory organization. The Phlx has requested accelerated approval for the proposal. On January 10, 1997, Phlx submitted Amendment No. 1 to the proposal in order to clarify when certain classes of foreign currency options ("FCOs") expire.<sup>1</sup> This Order approves the Phlx proposal, as amended, on an accelerated basis and solicits comments from interested persons.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> See Letter from Michele Weisbaum, Associate General Counsel, Phlx, to Sharon Lawson, Senior Special Counsel, SEC, dated January 6, 1997.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by PTC.

<sup>3</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>5</sup> 17 CFR 240.19b-4(e)(1).

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

The Phlx proposes to amend Exchange Rule 1000(b)(21)(iv) in order to clarify the transition process in regard to moving the expiration time for customized FCO contracts from an 11:59 p.m. expiration time to a 10:15 a.m. Eastern Time ("ET") expiration time for customized FCO contracts expiring on a regular mid-month or month-end expiration day.

### 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 Phlx 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 Phlx 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

On September 24, 1996, the Exchange received approval to change the expiration time for customized FCO contracts which expire on a regular mid-month or month-end expiration date from an 11:59 p.m. expiration ("11:59 p.m. expiration scheme")<sup>2</sup> to a 10:15 a.m. expiration scheme ("10:15 a.m. expiration scheme")<sup>3</sup> so that the expiration times for those options would conform to the expiration times for other customized FCO contracts which expire on all other business days (custom dated FCOs).<sup>4</sup> The filing also provided that for those contracts that would expire at 10:15 a.m., the cease trading time and the assignment methodology would also be changed so that the contracts would cease trading at 8:00 a.m. ET on their expiration date and would be subject to a pro-rata

<sup>2</sup> Under an 11:59 p.m. expiration scheme, customized FCOs cease trading at 2:30 p.m. on their expiration date and are subject to random assignment.

<sup>3</sup> Under a 10:15 a.m. expiration scheme, customized FCOs cease trading at 8:00 a.m. on their expiration date and are subject to pro-rata assignment.

<sup>4</sup> See Securities Exchange Act Release No. 37718 (September 4, 1996) (approving SR-Phlx-96-13 ("SR-PLX-96-13")) ("Release No. 37718"). The Commission notes, however, that the implementation of these changes was delayed pending approval of conforming changes to the rules of the Options Clearing Corporation ("OCC").

(rather than random) assignment process. These changes, however, were approved contingent upon subsequent Commission approval of a corresponding OCC filing.<sup>5</sup> Because OCC only recently received approval for its corresponding filing, Phlx has been unable to implement the new expiration times.<sup>6</sup>

Phlx's original filing, SR-Phlx-96-13, proposed that the earlier expiration time (i.e., the 10:15 a.m. expiration scheme) would become applicable with respect to all newly opened customized FCOs with a few noted exceptions for existing open contracts ("exception dates"). Because Phlx has been unable to implement these changes, however, additional existing series have been opened. Accordingly, Phlx must amend the portion of Phlx Rule 1000(b)(21)(iv) which stated the original exception dates.

Currently, open interest exists in customized FCOs expiring on mid-month and/or month-end expiration Fridays for the months of March, April, July, September and October 1997. These existing series will be "grandfathered," i.e., they will remain subject to an 11:59 p.m. expiration scheme. The parties to these contracts (except for the contracts expiring in March),<sup>7</sup> will have the ability to change the expiration times from 11:59 p.m. to the 10:15 a.m. expiration scheme if they desire by notifying the OCC in writing. Phlx believes the ability to switch expiration schemes may be an attractive option to existing parties to the transaction, because the contracts which expire at 11:59 p.m. will not be fungible with those that expire at 10:15 a.m. Further, because the existing contracts may not expire for several months, having different expiration times may become confusing to investors as the expiration date approaches.

Accordingly, Phlx proposes to amend Rule 1000(b)(21) to clarify when customized FCO contracts expire. Specifically, for any customized FCO contract which will expire on a date prior to April 1, 1997, the contract will remain subject to an 11:59 p.m.

<sup>5</sup> Release No. 37718 did, however, provide for immediate effectiveness for that portion of the filing which changed the cease trading time from 9:00 a.m. to 8:00 a.m. for custom dated FCOs that currently expire at 10:15 a.m. because they expire on days other than regular mid-month and month-end expiration days.

<sup>6</sup> See Securities Exchange Act Release No. 38165 (January 14, 1997) (approving SR-OCC-96-19).

<sup>7</sup> This will not be available for the contract's expiring in March 1997 because the change will be implemented for contracts expiring on or after April 1, 1997. Any contracts expiring prior to April 1, 1997, will remain subject to an 11:59 p.m. expiration scheme.

expiration scheme. Customized FCO contractors opened prior to January 14, 1997 and which expire on or after April 1, 1997 will also remain subject to an 11:59 p.m. expiration scheme unless all parties to the transaction agree to switch to a 10:15 a.m. expiration scheme and notify OCC thereof in writing. Customized FCO contracts opened after January 14, 1997, which expire on or after April 1, 1997, will be subject to a 10:15 a.m. expiration scheme.<sup>8</sup>

The Phlx believes the proposed rule change is consistent with Section 6 of the Act in general, and in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling and processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest by providing for a transition procedure for changing the time of certain custom FCO contracts.

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

The Exchange 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

The Exchange has neither solicited nor received written comments on the proposed rule change.

### III. Findings and Conclusions

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 Section 6(b)(5).<sup>9</sup> The purpose of the proposal is to clarify the transition process for customized FCOs as they switch from an 11:59 p.m. expiration scheme, as discussed above, to a 10:15 a.m. expiration scheme.<sup>10</sup> By establishing that any customized FCO contract opened on or after January 14, 1997 and which expires on or after April 1, 1997 will be subject to the 10:15 a.m. expiration scheme, the Phlx is able

<sup>8</sup> See *supra* note 3.

<sup>9</sup> 15 U.S.C. 78f(b)(5) (1988).

<sup>10</sup> See *supra* note 3.

to create a uniform expiration scheme for all customized FCOs. By allowing existing series of FCOs to remain subject to the 11:59 p.m. expiration scheme, Phlx has adequately ensured that existing parties to the transaction will not see the terms of their contracts unexpectedly changed prior to expiration. As such, the Commission believes the proposal is a reasonable attempt by the Phlx to balance the need to create uniform cease trading and expiration times for all customized FCOs with the need to protect the interests of existing customized FCO holders.

The Phlx proposal also allows holders and writers of existing series of customized FCOs to convert the terms of their "grandfathered" contracts to the 10:15 a.m. expiration scheme, as long as all parties to the transaction agree. Because contracts which expire at 11:59 p.m. will not be fungible with contracts that expire at 10:15 a.m., the Commission believes that the ability of holders to convert their contracts to a 10:15 a.m. expiration scheme (if all parties to the transaction agree) may increase the liquidity of their existing contracts. The ability to convert will also allow existing holders to more carefully tailor their customized FCO holdings to meet their investment objectives (e.g., increased liquidity, known exercise exposure with pro-rata assignment).

By requiring that all parties to the transaction agree to change the expiration times of their contracts prior to such changes becoming effective also will ensure that writers and holders are not forced to change their contract terms at the desire of only one party to the transaction. Accordingly, the Commission believes the Phlx proposal, by allowing investors to convert their customized FCO contracts from an 11:59 p.m. expiration scheme to a 10:15 a.m. expiration scheme, will increase liquidity in the FCO market and help to facilitate transactions in securities.

The Commission finds good cause to approve the proposed rule change and Amendment No. 1 thereto prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. The proposal and Amendment No. 1, as discussed above, clarify the transition process as customized FCOs switch to a 10:15 a.m. expiration scheme. Specifically, the proposal, as amended, provides that existing holders of customized FCO contracts will not have the terms of their contracts changed unless all parties to the transaction specifically notify OCC in writing of their intent to change contract terms. As such, the

Commission believes the proposed changes will foster investor protection and facilitate transactions in securities. Furthermore, the Commission notes that Release No. 37718, in which Phlx adopted the 10:15 a.m. expiration scheme, was subject to the full notice period and that no comments were received. Accordingly, the Commission believes it is consistent with the Act to approve the proposal, as amended, on an accelerated basis.

#### 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. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-96-52 and should be submitted by February 12, 1997.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act<sup>11</sup> that the proposed rule change (SR-Phlx-96-52) is hereby approved, as amended, on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Margaret H. McFarland,

*Deputy Secretary.*

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#### DEPARTMENT OF TRANSPORTATION

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

**AGENCY:** Department of Transportation, 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 USC Chapter 35).

**DATES:** Interested persons are invited to submit comments on or before February 21, 1997.

**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:**

Federal Aviation Administration, (FAA)

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 form 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 October 22, 1996 [FR 61, page 54833].

*Title:* Agricultural Aircraft Operations, FAR 137.

*OMB Control Number:* 2120-0049.

*Type Request:* Extension of a currently approved collection.

*Form(s):* FAA Form 8710-3.

*Affected Public:* Applicants applying for an agricultural aircraft operators certificate.

*Abstract:* Standards have been established for the operation of agricultural aircraft and for the dispensing of chemicals, pesticides, and toxic substances. Information collected shows applicant compliance and eligibility for certification by FAA. 14 CFR Part 137 prescribes requirements for issuing agricultural aircraft operator certificates and for appropriate operating rules.

<sup>11</sup> 15 U.S.C. § 78s(b)(2) (1988).

<sup>12</sup> 17 CFR 200.30-3(a)(12) (1994).