SECURITIES AND EXCHANGE COMMISSION

Sunshine Act

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To Be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: To be Published.

CHANGE IN THE MEETING: Additional Item.

The following item will be considered at a closed meeting scheduled to be held on Friday, May 2, 1997, at 10:00 a.m.:

Cooperation with other law enforcement organizations.

Commissioner Johnson, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary, (202) 942–7070.

Dated: April 29, 1997.

Jonathan G.Katz,

Secretary.

[FR Doc. 97–11613 Filed 4–30–97; 11:27 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–38548; File No. SR–NASD–97–24]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Supervision and Record Retention Rules

April 25, 1997.

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 April 11, 1997, NASD Regulation, Inc. (''NASD Regulation'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

NASD Regulation is proposing to amend National Association of Securities Dealers, Inc. (''NASD'' or ''Association'') Rules 3010, ''Supervision,'' and 3110, ''Books and Records,'' to revise the NASD's supervision and record retention rules to provide firms with flexibility in developing reasonable procedures for the review of correspondence with the public. Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

Rule 3010. Supervision

(a) through (c) No change

(d) [Written Approval] *Review of Transactions and Correspondence*

(*1*) *Supervision of Registered Representatives.* Each member shall establish procedures for the review and endorsement by a registered principal in writing, on an internal record, of all transactions and *for the review by a registered principal of* [all] *incoming and outgoing written and electronic* correspondence of its registered representatives *with the public relating to the investment banking or securities business of such member* [pertaining to the solicitation or execution of any securities transactions]. *Such procedures should be in writing and be designed to provide reasonable supervision of each registered representative.*[3] *Evidence that these supervisory procedures have been implemented and carried out must be maintained and made available to the Association upon request.*

(2) Review of correspondence. Each member shall develop written procedures that are appropriate to its business, size, structure, and customers for the review of incoming and outgoing written and electronic correspondence with the public relating to its investment banking or securities business. Where such procedures for the review of correspondence do not require pre-use review of all correspondence, they must include provision for the education and training of associated persons as to the firm's procedures governing correspondence; documentation of such education and training; and surveillance and follow-up to ensure that such procedures are implemented and adhered to.

(3) Retention of correspondence. Each member shall retain correspondence of registered representatives relating to its investment banking or securities business in accordance with Rule 3110 (''Books and Records''). The names of the persons who prepared outgoing correspondence and who reviewed the correspondence shall be ascertainable from the retained records and the retained records shall be readily available to the Association, upon request.

(e) through (g) No change

Rule 3110. Books and Records

(a) Requirements

Each member shall *make* [keep] and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations, and statements of policy promulgated thereunder and with the Rules of this Association *and as prescribed by Rule 17a–3. The record keeping format, medium, and retention period shall comply with Rule 17a–4 under the Securities Exchange Act of 1934.*

(b) through (g) No change

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory basis For, the Proposed Rule Change

In its filing with the Commission, NASD Regulation 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. NASD Regulation 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

In May 1996, the SEC issued an Interpretive Release on the Use of Electronic Media by Broker-Dealers, Transfer Agents., and Investment Advisers for Delivery of Information.[4] That release expressed the views of the SEC with respect to the delivery of information through electronic media in satisfaction of requirements in the

[3] Pursuant to a telephone conversation between Mary Revell, Assistant General Counsel, NASD Regulation, Inc. and Katherine England, Assistant Director, Division of Market Regulation, SEC, on April 25, 1997, Commission staff has replaced the phrase ''reasonably supervise'' with the phrase ''provide reasonable supervision of.''

[4] *See* Release Nos. 33-7288; 34–37182; IC–21945; IA–1562 (May 9, 1996); 61 FR 24644 (May 15, 1996) (File No. S7–13–96).

federal securities laws, but did not address the applicability of any self-regulatory organization (''SRO'') rules. In the release the SEC did, however, strongly encourage the SROs to work with broker/dealer firms to adapt SRO supervisory review requirements governing communications with customers to accommodate the use of electronic communications.[5]

On September 12, 1996, the New York Stock Exchange, Inc. (''NYSE'') filed with the SEC a proposal to update its rules governing supervision of its member firms' communications with the public.[6] The NYSE's proposal is designed to recognize the growing use of new technology and new means of communication such as ''e-mail'' and the Internet while still providing for appropriate supervision and review. The NYSE's proposal currently is pending at the SEC.

The NYSE's current rules require firms to review all communications with the public relating to their business prior to use. For example, a registered representative's correspondence to a customer must be reviewed prior to being sent, and all incoming correspondence must be reviewed by the firm before it is given to the representative. Under the NYSE's proposal, prior review of all outgoing correspondence and review of all incoming corrrespondence would no longer be required. Instead, firms would be allowed flexibility in developing procedures for review of such correspondence tailored to the nature and size of a firm' busineess and customers. Other communications with the public, such as advertisements, sales literature, and research reports, loud continue to be subject to prior approval.

The NYSE's proposal would require firms to develop written procedures for review of communications with the public that are designed to provide reasonable supervision of each registered representative. In addition, any firm that does not conduct pre-use review of correspondence (whether electronic or manual) would be required to regularly educate and train employees about the organization's policies and procedures governing review of communications, document such education and training, and conduct surveillance to ensure compliance with such procedures.

The proposed rule change filed by the NYSE responds to the SEC's request to adapt supervision rules to accommodate the use of electronic communications. The proposed amendments to NASD rules governing supervision of correspondence similarly would respond to this request and would provide firms with flexibility in developing reasonable procedures for the review of correspondence. The NASD's proposed approach is designed to be consistent with the one proposed by the NYSE and thereby help to ensure a coordinated regulatory framework for supervision of manual and electronic correspondence.

Supervision of Registered Representatives. NASD Rule 3010(d)(1), as revised to reflect comments received and recommendations from the NASD's Membership Committee, [7] provides, among other things, that a firm must establish procedures for the review by a registered principal of each registered representative's outgoing and incoming manual and electronic correspondence with the public relating to the member's investment banking or securities business. The procedures must be designed to provide reasonable supervision of each registered representative, must be described in the firm's written supervisory procedures, and implementation and execution of these procedures must be clearly evidenced. In developing these procedures, members should specify, among other things, what types of correspondence will be pre- or post-reviewed; where the reviews will be conducted; the position and qualifications of persons who will conduct the reviews; the frequency of reviews; the nature of type of review to be conducted; and how the reviews will be documented.

Under the proposal , review of each item of correspondence no longer will be required. Instead, firms could use reasonable sampling techniques, such as random spot-checking of e-mail logs. In order for this method to be effective, NASD Regulation expects that members should require review of some portion of the electronic mail sent and received by each registered representative, with special emphasis on messags delivered to or received from customers of the members.

In addition, while written approval of correspondence no longer would be mandated, firms should specify the means for evidencing review. For example, firms could electronically review e-mail correspondence relating to the firm's investment banking or securities business and could electronically record evidence of the review.

Procedures for Review of Correspondence: As revised to reflect comments received and recommendations from the NASD's Membership Committee, NASD Rule 3010(d)(2) would require each member to develop written procedures for review of incoming and outgoing correspondence with the public relating to its investment banking or securities business tailored to its structure and the nature and size of its business and customer base. In developing supervisory procedures for the review of correspondence with the public, members should consider the following suggestions. For example, members should determine whether it is more appropriate to implement uniform procedures or procedures tailored to specific functions, offices or locations, individuals, groups of persons, or specific registration categories. In this regard, members may consider such factors as the number, size and location of offices; the volume of communications overall and in specific areas of the organization; the types of activities conducted by registered representatives and other applicable persons; the nature and extent of training provided; the complaint and overall disciplinary record, if any, of registered representatives and other applicable persons (with particular emphasis on complaints regarding written or oral communications with clients); and the overall experience levels of registered representatives and other applicable persons using communications media.

In addition, reasonable procedures in some cases might require review of all correspondence of particular individuals. The supervisory system should provide specific processes for the receipt and handling of incoming checks and customer complaints as well as standards for correspondence indicating permitted and prohibited activities and any restrictions imposed by the member upon such correspondence. The procedures also should address communications with customers from outside of the workplace.

While the proposed rule does not require review of all correspondence, any member that does not conduct electronic or manual pre-use review of each item of correspondence will be required to: regularly educate and train its associated persons as to the firm's procedures governing review of correspondence; document such

[5] *Id.*, note 5.

[6] *See* securities Exchange Act Release No. 37941 (November 13, 1996), 61 FR 58919 (November 19, 1996) (File No. SR–NYSE–96–26) (soliciting comment on the NYSE's proposed rule change).

[7] For a discussion of comment received on the proposed changes and the recommendations of NASD's Membership Committee, *see infra* notes 9–20 and accompanying test.

education and training; and monitor to ensure implementation and compliance with such procedures. This provision is a departure from the NASD's current rule, which requires members to review and endorse in writing all correspondence, but allows such review and endorsement to occur after use. However, the NASD's proposed rule is consistent with the rule proposed by the NYSE. Also, the NASD's proposed rule provides sufficient flexibility such that members that do not wish to conduct prior review of correspondence have the option of conducting education and training as to the firm's procedures instead. Accordingly, the proposed rule would create a ''default'' standard that is more stringent than the current rule in requiring pre-use review. The Notice to Members announcing adoption of this rule will provide guidance to members on how the education and training provisions should be implemented.

Firms may incorporate the required education and training on correspondence procedures into their Continuing Education Firm Element training program.[8] However, education and training must be timely and must apply to all appropriate employees, including employees who may not be included under the Continuing Education requirements.

Retention of Correspondence: Under amended NASD Rule 3010(D)(3), each member must retain correspondence in accordance with amended NASD Rule 3110. NASD Rule 3010(d)(3) also requires that the names of the persons who prepared and reviewed correspondence must be ascertainable from the retained records and the records must be made available to the NASD upon request.

Books and Records: NASD Rule 3110(a) has been amended to recognize that records must be made and preserved as prescribed by all applicable rules, regulations and NASD rules and with Rule 17a–3 under the Act. The record keeping format, medium, and retention period must comply with Rule 17a–4 under the Act.[9]

2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[10] which requires, among other things, that the Association's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market, and, in general, to protect investors and the public interest and not be designed to permit unfair discrimination between brokers or dealers. The NASD believes that allowing broker/dealer firms to use new technology and new means of communication, such as e-mail and the Internet, while still providing for appropriate supervision and review, will further these requirements.

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

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

The proposed rule change was published for comment in Notice to Members 96–82 (December 1996) (''NTM 96–82''). The comment period closed on January 30, 1997. Nineteen comment letters were filed on the proposed rule.[11]

The comments filed on the proposed rules were overwhelmingly positive. The commenters praised NASD Regulation for proposing rule amendments that will allow each firm the flexibility to develop procedures for the review of correspondence tailored to the nature and size of its business and customers. The commenters also commended NASD Regulation for harmonizing its supervision requirements with those of the NYSE. Commenters did, however, make some suggestions about how the rule could be clarified or amended.

Correspondence with the public: NASD's current supervision rule requires firms to establish procedures for the review of all of its registered representatives' correspondence *pertaining to the solicitation or execution of any securities transactions.* The rule proposed in NTM 96–82 would require the review of registered representatives' correspondence *relating to the business of the member.*

NASD Regulation received 12 comments on this change.[12] Many of the commenters requested a clarification that only correspondence with the public must be reviewed. Otherwise, they stated, the rule could be construed to apply to internal communications or to correspondence between members and third parties other than customers. Also, this would conform the rule to the intention stated in the text of NTM 96–82. This clarification has been made by adding the words ''with the public'' to paragraphs 3010 (d)(1) and (d)(2).

Three commenters believe the rule change is overly expansive, burdensome, and unjustified.[13] They urge NASD Regulation to retain the language in the current rule. Notwithstanding these comments,

[8] *See* NASD Rule 1120, ''Continuing Education Requirements.''

[9] The SEC recently proposed for comment amendments to its broker/dealer books and records rules. *See* Securities Exchange Act Release No. 37850 (October 22, 1996), 61 FR 55593 (October 28, 1996) (File No. S7–27–96).

[10] 15 U.S.C. 78o–3(b)(6).

[11] NASD Regulation received the following comment letters: (1) Letter from Brian C. Underwood, A.G. Edwards & Sons, Inc., to Joan Conley, NASD Regulation, dated January 28, 1997 (''A.G. Edwards''); (2) Letter from Rockell Metcalf, American Express Financial Advisors Inc., to Joan Conley, NASD Regulation, dated January 30, 1997 (''AEFA''); (3) Letter from Neal E. Nakagiri, Associated Securities Corp., to Joan Conley, NASD Regulation, dated January 20, 1997 (''Associated Securities''); (4) Letter from Rita Adler, CoreStates Securities Corp., to Joan Conley, NASD Regulation, dated January 30, 1997 (''CSC''); (5) Letter from Brad Sutherland, D.A. Davidson & Co., to Joan Conley, NASD Regulation, dated January 11, 1997 (''D.A. Davidson''); (6) Letter (e-mail message) from David Fry dated January 3, 1997 (''David Fry''); (7) Letter from R. Gerald Baker, Everen Securities, to Joan Conley, NASD Regulation, dated January 30, 1997 (''Everen''); (8) Letter from Michael L. Michael, Fidelity Investments, to Joan Conley, NASD Regulation, dated January 29, 1997 (''Fidelity''); (9) Letter from Adam N. Antoniades, First Allied Securities Inc., to Joan Conley, NASD Regulation, dated January 29, 1997 (''First Allied''); (10) Letter from Alexander C. Gavis, Investment Company Institute, to Joan Conley, NASD Regulation, dated January 30, 1997 (''ICI''); (11) Letter from Thomas P. Koutris, John Hancock Mutual Life Insurance Co., to Joan Conley, NASD Regulation, dated January 31, 1997 (''John Hancock''); (12) Letter from Kenneth S. Spirer, Merrill Lynch, to Joan Conley, NASD Regulation, dated January 27, 1997 (''Merrill Lynch''); (13) Letter from Michael L. Kerley, MML Investors Services, Inc., to Joan Conley, NASD Regulation, dated January 27, 1997 (''MML''); (14) Letter from Peter J. Bernota to Joan Conley, NASD Regulation, dated January 22, 1997 (''Peter J. Bernota''); (15) Letter from George P. Miller, PSA The Bond Market Trade Association, to Joan Conley, NASD Regulation, dated January 24, 1997 (requesting an extension of time to file comments); (16) Letter from William P. Hayes and R. May Lee, PSA The Bond Market Trade Association, to Joan Conley, NASD Regulation, dated February 7, 1997 (''PSA''); (17) Letter from Stephen Putnam, Robert Thomas Securities, to R. Clark Hooper, NASD Regulation, dated January 9, 1997 (''Robert Thomas Securities''); (18) Letter from Kenneth S. Spirer, R. Gerald Baker, C. Evan Stewart, and Robert C. Errico, Securities Industry Association, to Joan Conley, NASD Regulation, dated February 7, 1997 (''SIA''); and (19) Letter from Henry H. Hopkins and David Roscum, T. Rowe Price, to Joan Conley, NASD Regulation, dated February 11, 1997 (''T. Rowe Price'').

Copies of the Comment Letter received by NASD Regulation in response to NTM 96–82 are available for inspection and copying at NASD Regulation or at the Commission's Public Reference Room.

[12] *See* letters from A.G. Edwards, AEFA, Associated Securities, D.A. Davidson, Everen, Fidelity, ICI, John Hancock, MML, Peter J. Bernota, PSA, and T. Rowe Price.

[13] *See* letters from John Hancock, MML, and T. Rowe Price.

NASD Regulation has determined to retain the language as proposed, for several reasons. First, conforming the rule language to the language in the NYSE rule will help to ensure a coordinated regulatory approach to the supervision of correspondence. Second, the amended language is consistent with language in SEC Rule 17a–4, which requires a broker/dealer to preserve records of all communications relating to its business. Also, limiting the review requirement to correspondence pertaining to securities transactions may be too narrow to capture information important to an effective supervision program. Finally, limiting the review requirement to correspondence *with the public,* as described above, will significantly address the concerns raised by these commenters.

One commenter asked if certain electronic communications, depending on their content, could be treated as oral ''conversations'' rather than correspondence, such that the content requirements of the NASD's advertising rules would apply, rather than the supervision and record retention rules.[14] In response, NASD Regulation notes that the SEC in its recent release on Reporting Requirements for Brokers or Dealers under the Act on record retention requirements applicable to electronic communications,[15] has stated:

> for record retention purposes under Rule 17a-4, the content of the electronic communication is determinative, and therefore broker-dealers must retain those e-mail and Internet communications (including inter-office communications) which relate to the broker-dealer's ''business as such.''

Similarly, the proposed rule focuses on the content of electronic (and manual) correspondence by requiring each member to develop supervisory procedures for the review of written and electronic correspondence with the public *relating to its investment banking or securities business.* This obligation to review correspondence is not obviated by a firm's classification of e-mail correspondence as equivalent to an oral ''conversation.''

Incoming correspondence: Three commenters discussed the proposed requirement that both *incoming* and outgoing correspondence must be reviewed.[16] One commenter asked NASD Regulation to clarify that incoming correspondence would be subject to review.[17] NASD Regulation has made this clarification by adding the words ''incoming and outgoing'' to paragraphs 3010 (d)(1) and (d)(2).

Two of the commenters are insurance-affiliated broker/dealers.[18] They stated that it would be extremely difficult for an insurance-affiliated broker/dealer to comply with the requirement to review incoming correspondence. Most of their registered representatives are primarily life insurance salespersons who conduct business in non-branch locations (*e.g.,* in their homes or at insurance company offices). Also, virtually all correspondence is addressed to the insurance company or to the agents personally, and most correspondence pertains to the life insurance business. Both because of the location where these agents/registered representatives conduct business and because most of their correspondence is addressed to a non-broker/dealer entity, these commenters maintain that it would be improper, illegal, and impossible for a principal to open and review it.

NASD Regulation has determined to amend the rule as proposed in NTM 96–82 explicitly to require the review of incoming correspondence. The proposed rule provides a firm with flexibility to develop procedures for the review of correspondence tailored to its structure and the nature of its business. Also, the proposed changes lessen the regulatory burden by eliminating the requirement to review and endorse each piece of correspondence. Supervisory review of incoming correspondence in many circumstances may be particularly valuable in detecting potential problems with a registered representative's conduct or a customer complaint. NASD Regulation believes that a review of incoming correspondence is a valuable method for early detection of problems and believes that rule provides insurance-affiliated members with the needed flexibility to devise appropriate procedures for reviewing correspondence. Therefore, the proposed language has been retained.

Education and training: Four commenters addressed this provision of the proposed rule.[19] Two of the commenters requested that firms be allowed flexibility in developing appropriate education and training as to the firm's procedures governing correspondence.[20] Since the rule already allows this flexibility by permitting firms to develop procedures tailored to the nature and size of their business and customers, NASD Regulation does not believe an amendment is necessary to respond to this comment.

In response to a request from one commenter,[21] the staff wishes to clarify that a member may fulfill its education and training requirements in conjunction with compliance with NASD Continuing Education requirements. This is consistent with the position the NYSE has taken on this issue, as stated in its draft Information Memo, submitted in conjunction with the NYSE's proposal.[22]

Finally, at its meeting on February 19, 1997, the NASD's Membership Committee discussed the proposed rule, the comments that have been received on the proposal, and the changes the staff proposed to make to respond to the comments. The NASD's Membership Committee was supportive of all of the changes the staff recommended. However, the NASD's Membership Committee asked staff to also consider revising the proposed rule to require members to supervise and review only correspondence *relating to their investment banking or securities business* instead of correspondence *relating to their business.* NASD's Membership Committee members stated that member firms may conduct a business in capacities other than as broker/dealers and suggested that language be added to clarify the rule so that it could not be interpreted to apply to areas beyond the securities business of the member. Although this is a minor department from the NYSE rule, which requires members to review communications relating to the firm's business, NASD Regulation has limited application of the rule to correspondence related to the securities or investment banking business of a member.

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

Within 35 days of the date of 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 such proposed rule change, or

[14] *See* letter from A.G. Edwards.

[15] *See* Securities Exchange Act Release No. 38245 (February 5, 1997), 62 FR 6469 (February 12, 1997) (File No. S7–21–93).

[16] *See* letters from AEFA, John Hancock, and MML.

[17] *See* letter from John Hancock.

[18] *See* letters from John Hancock and MML.

[19] *See* letters from D.A. Davidson, First Allied, ICI, and John Hancock.

[20] *See* letters from First Allied and John Hancock.

[21] *See* letter from ICI.

[22] *See supra* note 4.

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, 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. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR–NASD–97–24 and should be submitted by [insert date 21 days from the date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[23]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–11454 Filed 5–23–97; 8:45 am]

BILLING CODE 8010–01–M

[23] 17 CFR 200.30–3(a)(12).

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Collection Requests

This notice lists information collection packages that will require submission to the Office of Management and Budget (OMB), in compliance with PL. 104–13 effective October 1, 1995, The Paperwork Reduction Act of 1995.

1. Childhood Disability Evaluation—0960–0568. The information collected on form SSA–538 is used by SSA and the State Disability Determination Services (DDS) to record medical and functional findings concerning the severity of impairments of children claiming SSA benefits based on disability. The form is used for initial determinations of eligibility, in appeals and in initial continuing disability reviews. The respondents are State DDS offices.

Number of Responses: 1,066,000.

Frequency of Response: 1.

Average Burden Per Response: 20 minutes.

Estimated Annual Burden: 355,333 hours.

2. Statement for Self-Employment Income—0960–0046. The information collected on form SSA–766 is needed to determine quarters of coverage for eligibility to Social Security benefits. The information will be used to expedite the payment of benefits to an individual who is self-employed and who is establishing insured status in the current year. The respondents are self-employed applicants for Social Security benefits.

Number of Respondents: 5,000.

Frequency of Response: 1.

Average Burden Per Response: 5 minutes.

Estimated Average Burden: 417 hours.

Written comments and recommendations regarding the information collection(s) should be sent within 60 days from the date of this publication, directly to the SSA Reports Clearance Officer at the following address: Social Security Administration, DCFAM, *Attn:* Nicholas E. Tagliareni, 6401 Security Blvd., 1–A–21 Operations Bldg., Baltimore, MD 21235.

In addition to your comments on the accuracy of the agency's burden estimate, we are soliciting comments on the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

To receive a copy of any of the forms or clearance packages, call the SSA Reports Clearance Officer on (410) 965–4125 or write to him at the address listed above.

Dated: April 24, 1997.

Nicholas E. Tagliareni,

Reports Clearance Officer, Social Security Administration.

[FR Doc. 97–11242 Filed 4–30–97; 8:45 am]

BILLING CODE 4190–29–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

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

AGENCY: Office of the Secretary, DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collection and its expected cost and burden. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collections of information was published on February 11, 1997 [62 FR 6301–6302].

DATES: Comments must be submitted on or before June 2, 1997.

FOR FURTHER INFORMATION CONTACT: Bernie Stankus, Office of Airline Information, K–25, Bureau of Transportation Statistics, 400 Seventh Street, SW., Washington, DC. 20590, (202) 366–4387.

SUPPLEMENTARY INFORMATION:

Bureau of Transportation Statistics (BTS)

Title: Form 298–C Report of Financial and Operating Statistics for Small Aircraft Operators.

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

OMB Control Number: 2138–0009.

Affected Public: Small certificated and commuter air carriers.

Abstract: Small certificated air carriers (operate aircraft with 60 seats or less or with 18,000 pounds of payload capacity of less) must file the following five quarterly schedules: A–1 Report of Flight and Traffic Statistics in Scheduled Passenger Operations; E–1 Report of Nonscheduled Passenger Enplanements by Small Certificated Air Carriers; F–1 Report of Financial Data; F–2 Report of Aircraft Operating Expenses and Related Statistics; and T–1 Report of Revenue Traffic by On-Line Origin and Destination. Commuter air carriers must file the following three quarterly schedules: A–1 Report of Flight and Traffic Statistics in Scheduled Passenger Operations; F–1 Report of Financial Data; and T–1 Report of Revenue Traffic by On-Line Origin and Destination.

Estimated Annual Burden: 5,000 hours.

Number of Respondents: 100.

Need: Program Uses of Form 298–C Data.

ADDRESSES: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725–17th Street, NW., Washington, DC 20503, Attention DOT Desk Officer.

Comments are invited on: whether the proposed collection of information is