to Rule 19b–4(e)(4)[7] promulgated thereunder because the proposal effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and does not significantly affect the respective rights or obligations of DTC or persons using the service. 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.

On August 25, 1997, notice of filing of File No. SR–DTC–97–07 was incorrectly published in the **Federal Register** as a proposed rule change filed pursuant to Section 19(b)(2).[8] This notice of the proposed rule change supersedes that release and correctly publishes notice of filing of File No. SR–DTC–97–07 as a proposed rule change filed pursuant to Section 19(b)(3)(A). The proposed rule change became immediately effective upon filing with the Commission on May 19, 1997.

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 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 DTC. All submissions should refer to File No. SR–DTC–97–07 and should be submitted by October 6, 1997.

[7] 17 CFR 240.19b–4(e)(4).

[8] Securities Exchange Act Release No. 38950 (August 19, 1997), 62 FR 44997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[9]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–24303 Filed 9–11–97; 8:45 am]

BILLING CODE 8010–01–M

[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39030; File No. SR–PHLX–97–25]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 Thereto, Relating to Elimination of the Enhanced Parity Split for the Specialist in the 3D German Mark Foreign Currency Options

September 8, 1997.

I. Introduction

On May 29, 1997, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') submitted to the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to eliminate from Exchange Rule 1014(h) (''Rule'') the enhanced parity split for the specialist in the dollar denominated delivery German Mark (''3D'') foreign currency options (''FCOs'').

The proposed rule change was published for comment in the **Federal Register** on July 10, 1997.[3] No comments were received on the proposal. On August 6, 1997, the Phlx submitted Amendment No. 1 to the proposed rule change.[4] This order approves the proposal as amended.

II. Description of the Proposal

In January, 1995, the Exchange amended the Rule to adopt an enhanced split for its specialist in 3D FCOs[5] in order to encourage the specialist to make deeper markets to attract order flow.[6] The Rule provides that the Foreign Currency Option Committee (''the Committee'') would conduct a review of the entitlement to the enhanced parity split at the end of the first year and then every 6 months thereafter. Pursuant to the most recent review, the Committee determined to eliminate the enhanced split which was only applicable to this one product traded on the Foreign Currency Option Floor of the Exchange. The specialist in the product has not objected to the elimination of the enhanced split. In fact, the specialist firm trading this product has indicated that enhanced split is not particularly useful to the firm and that the firm does not generally take advantage of it.[7] In addition, the Exchange has represented that the order size in this product is generally not large enough to trigger the enhanced split.[8] Although the Exchange is proposing to eliminate the enhancement at this time, it represents it is continuing to study the potential use of enhanced splits for the Foreign Currency Option Floor on a broader basis.[9] By eliminating the current enhanced split, parity and priority will be determined in accordance with Exchange Rule 119 and the remainder of section (h) to Rule 1014.

III. Discussion

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, with the requirements of Section 6(b).[10] Specifically, the Commission believes the proposal is consistent with the Section 6(b)(5)[11] requirements that the

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

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 38808 (July 1, 1997), 62 FR 37111 (July 10, 1997).

[4] *See* letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx to David Sieradzki, Attorney, SEC, dated August 6, 1997 (''Amendment No. 1''). In Amendment No. 1, the Phlx proposed to amend Option Floor Procedure Advice B–7, Time Priority of Bids/Offers in Foreign Currency Options, to delete text describing the enhanced specialist split for 3D options.

[5] 3D FCOs are cash-settled, European-style, cash/spot FCO contracts on the German mark that trade in one-week and two-week expirations. *See* Securities Exchange Act Release No. 33732 (Mar. 8, 1994), 59 FR 12023 (Mar. 15, 1994).

[6] *See* Securities Exchange Act Release No. 35177 (Dec. 29, 1994), 60 FR 2419 (Jan 9, 1995) (''Original Split Approval Order'').

[7] *See* letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx to David Sieradzki, Attorney, SEC, dated June 30, 1997 (''Phlx Letter'').

[8] Telephone conversation between Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, James T. McHale, Special Counsel, SEC and David Sieradzki, Attorney, SEC (June 19, 1997). Rule 1014(h) provides that ''[t]his enhanced split will not apply where a customer bid/offer for under 100 contracts has time priority.''

[9] The Exchange represents that it is in the process of considering new and different types of parity splits that, if adopted, would be applicable to all products traded by specialists on the foreign currency option floor or at least to a broader range of specialist traded products. *See* Phlx Letter, *supra* note 7.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(5).

rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public interest.[12]

The Exchange has represented that the enhanced parity split for 3D FCOs is not frequently used and has not served as an effective means of attracting order flow to the Exchange. When the enhanced parity split for 3D FCOs was initially approved, the Commission stated that it was reasonable for the Exchange to grant these benefits to specialists as long as they did not unreasonably restrain competition or harm investors. In addition, the Commission believed that granting these benefits to specialists was within the business judgement of the Exchange.[13] Similarly, the Commission believes that it is within the business judgement of the Exchange to eliminate these benefits to specialists, provided that competition is not unreasonably restrained nor investors harmed. Accordingly, the Commission believes that it is reasonable for the Exchange to rescind the enhanced parity split and examine other potential methods of attracting order flow to the Exchange.

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Amendment No. 1 does not change the nature of the proposal, but merely conforms Options Floor Procedure Advice B–7 to reflect the elimination of the enhanced specialist split for 3D FCOs. Further, the Commission notes that the original proposal was published for the full 21-day comment period and no comments were received by the Commission. Accordingly, the Commission believes it is appropriate to approve Amendment No. 1 to the Exchange's proposal on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1. 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 available for inspection and copying at the Commission's Public Reference Room. 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 File No. SR–Phlx–97–25 and should be submitted by October 6, 1997.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[14] that the proposed rule change (SR–Phlx–97–25) is approved, as amended.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–24304 Filed 9–12–97; 8:45 am]

BILLING CODE 8010–01–M

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

[13] *See* Original Split Approval Order, *supra* note 6.

[14] 15 U.S.C. 78s(b)(2).

[15] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Finance Docket No. 32760]

Union Pacific Railroad Company—Control and Merger—Southern Pacific Transportation Company: Reno Mitigation Study, Preliminary Mitigation Plan

AGENCY: Surface Transportation Board, Transportation.

ACTION: Issuance of Preliminary Mitigation Plan (PMP), request for public comment, and notice of public meetings.

SUMMARY: The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) will issue the Preliminary Mitigation Plan (PMP) for the Reno, NV Mitigation Study on September 15, 1997, for public review and comment. On August 12, 1996, in Decision No. 44, the Board approved the Union Pacific/Southern Pacific merger. As part of its approval, the Board directed SEA to conduct a mitigation study to develop additional tailored environmental mitigation measures (beyond those already imposed in Decision No. 44) to address unique local conditions in Reno and Washoe County regarding the potential environmental impacts of increased rail traffic. The preliminary results of this study and SEA's preliminary recommendations for additional environmental mitigation measures are reflected in the PMP. SEA encourages public comment on the PMP during the 30-day review period, which will end on October 15, 1997. SEA will distribute copies of the PMP to interested parties. In addition, copies of the PMP will be available at the Reno and Sparks branches of the Washoe County Public Library, or by request by calling (202) 565–1539.

SEA will hold two public information meetings on October 9, 1997, to provide the public with further opportunity to comment on the PMP and receive additional information. SEA will consider all public comments and issue a Final Mitigation Plan (FMP) for public review and comment. Based on the PMP, FMP, and public comments, SEA will then make its final recommendations to the Board. The public information meetings will be held on October 9, 1997, at Reno City Hall, 490 South Center Street, Reno, NV. The afternoon meeting will include an informal open house from 1:30 p.m.–2:30 p.m., followed by a presentation and formal public meeting beginning at 2:30 p.m. The evening meeting will include an informal open house from 6:00 p.m.–7:00 p.m., and a formal public meeting beginning at 7:00 p.m.

Public comments should be submitted in writing (one original plus 10 copies), no later than October 15, 1997, to: Office of the Secretary, Case Control Unit, *Finance Docket No. 32760,* Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423–0001. Mark the lower left hand corner of the envelope: Attention: Elaine K. Kaiser, Chief, Section of Environmental Analysis, Environmental Filing—Reno.

FOR FURTHER INFORMATION CONTACT: Harold McNulty, Section of Environmental Analysis, Room 500, Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423, (202) 565–1539, TDD for the hearing impaired: (202) 565–1695.

By the Board, Elaine K. Kaiser, Chief, Section of Environmental Analysis.

Vernon A. Williams,

Secretary.

[FR Doc. 97–24406 Filed 9–12–97; 8:45 am]

BILLING CODE 4915–00–P