

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 the filing will also be available for inspection and copying at the PHLX's principal offices. All submissions should refer to File No. SR-PHLX-98-04 and should be submitted by November 10, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

Exhibit A

Additions are italicized, deletions are bracketed.

Report of Financial Arrangements

Rule 783. (a) *Financial Arrangements*—Each member, member organization, participant, participant organization, general partner or voting shareholder therein shall report to the Exchange, forthwith [upon the obtaining or the making thereof;

(a) Each loan in the amount of \$2,500 or more (whether of cash or securities) obtained by such member, member organization, general partner or voting shareholder;] *in a form prescribed by the Exchange, any financial arrangement entered into, either directly or indirectly, with another member or member organization, participant or participant organization or general partner, voting shareholder, or any associated person thereof or a non-member. For the purposes of*

this rule, a financial arrangement shall be defined as:

1. *the direct financing of a member or participant organization's dealings upon the Exchange with the exception of clearing arrangements;*

2. *any direct equity investment or profit sharing arrangement;*

3. *any consideration over the amount of \$5,000 that constitutes a gift, loan, salary, or bonus; and*

4. *the guarantee of a trading account with the exception of clearing arrangements.*

(b) *The disclosure of such financial arrangements shall be the responsibility of all members involved. The member or participant organization shall submit to the Exchange notification of the initiation or termination of such financial arrangements within ten (10) business days of the effective date of such arrangements. The notice of termination will constitute the end of the financial arrangement.*

[Exceptions

(b) Each loan in the amount of \$2,500 or more (whether in cash or securities) to any member, member organization, general partner or voting stockholder made by a member, member organization, general partner or voting stockholder, provided however, that no report shall be required with respect to:

(1) Any loan fully secured by readily marketable collateral so long as such loan remains secured;

(2) Any loan of securities made by the borrower for the purpose of effecting delivery against a sale where money payment equivalent to the market value of the securities is made to the lender and such contract is marked approximately to the market;

(3) Any loan on a life insurance policy which is not in excess of the cash surrender value of such policy;

(4) Any loan obtained from a bank, trust company, monied corporation, or fiduciary on the security of real estate;

(5) Any loan transaction between members, general partners, or voting stockholders in the same member organizations.]

(c) *Nothing in this rule would require the reporting of agreements for the lending and borrowing of securities, financial arrangements between members affiliated with the same member organization or participants affiliated with the same participant organization or transactions in publicly traded securities of a member organization.*

Supplementary Material

.01 *As used herein, an agreement for the lending and borrowing of securities shall mean a securities contract or other agreement, including related terms, for the transfer of securities against the transfer of funds, securities or other collateral, with a simultaneous agreement by the transferee to transfer to the transferor against the transfer of funds, securities, or other collateral, upon notice, at a date certain, upon demand, the same or substituted securities.*

F-11 Splitting Orders

ROTs of the same firm, dually affiliated or financially affiliated ROTs, when bidding or offering at the same price for the same option, are to be treated as one interest for purpose of splitting an order in the trading crowd.

For the purposes of this Advice, dually affiliated ROTs are ROTs required to report dual affiliations pursuant to Rule 793 and financially affiliated ROTs are ROTs required to report financial arrangements pursuant to Rule 783.

FINE SCHEDULE

Implemented on a one year running calendar basis

F-11

1st Occurrence	[\$100.00]	\$500.00	
2nd Occurrence	[\$250.00]	\$1,000.000	Sanction is Discretionary with the Business Conduct Committee
3rd Occurrence	[\$500.00]		
[4th Occurrence and thereafter			Sanction is Discretionary with the Business Conduct Committee]

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Fitness Determination of Air Ketchum, Idaho, Inc.

AGENCY: Department of Transportation.

ACTION: Notice of Commuter Air Carrier Fitness Determination—Order 98-10-14, Order to Show Cause.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding that Air Ketchum, Idaho, Inc., is fit, willing, and able to provide scheduled passenger operations as a commuter air carrier.

RESPONSES: All interested persons wishing to respond to the Department of

Transportation's tentative fitness determination should file their responses with the Air Carrier Fitness Division, X-56, Department of Transportation, 400 Seventh Street, SW., Room 6401, Washington, DC 20590, and serve them on all persons listed in Attachment A to the order. Responses shall be filed no later than October 28, 1998.

FOR FURTHER INFORMATION CONTACT: Galvin Coimbre, Air Carrier Fitness

⁸ 17 CFR 200.30-3(a)(12).

Division (X-56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366-5347.

Dated: October 14, 1998.

Charles A. Hunnicutt,

Assistant Secretary for Aviation and International Affairs.

[FR Doc. 98-28034 Filed 10-19-98; 8:45 am]

BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Proposed Advisory Circular 25.803-1A, Emergency Evacuation Demonstrations

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of Availability of Proposed Advisory Circular (AC) 25.803-1A and request for comments.

SUMMARY: This notice announces the availability of and requests comments on a proposed advisory circular (AC) which provides guidance on a means, but not the only means, of compliance with the Federal Aviation Regulations (FAR) concerning (1) conduct of full-scale emergency evacuation demonstrations, and (2) use of analysis and tests in lieu of conducting an actual demonstration. This notice is necessary to give all interested persons an opportunity to present their views on the proposed AC.

DATES: Comments must be received on or before December 21, 1998.

ADDRESSES: Send all comments on proposed AC to: Federal Aviation Administration, Attention: Frank Tiangsing, Propulsion, Mechanical Systems and Crashworthiness Branch, ANM-112, Transport Airplane Directorate, Aircraft Certification Service, 1601 Lind Avenue SW, Renton, WA 98055-4056. Comments may be inspected at the above address between 7:30 a.m. and 4:00 p.m. weekdays, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Katherine Burks, Transport Standards Staff, at the address above, telephone (206) 227-2114.

SUPPLEMENTARY INFORMATION:

Comments Invited

A copy of the draft AC may be obtained by contacting the person named above under **FOR FURTHER INFORMATION CONTACT**. Interested persons are invited to comment on the proposed AC by submitting such written data, views, or arguments as they may

desire. Commenters should identify AC 25.803-1A and submit comments, in duplicate, to the address specified above. All communications received on or before the closing date for comments will be considered by the Transport Standards Staff before issuing the final AC.

Discussion

Section 25.803(c) requires that for airplanes with a passenger seating capacity of more than 44 passengers, it must be shown that the passengers and required crewmembers can be evacuated to the ground in 90 seconds under simulated emergency conditions. Compliance can be shown by conducting a full-scale emergency evacuation demonstration under the test conditions specified in Appendix J of part 25 or a combination of analysis and testing found acceptable by the FAA. Advisory Circular 25.803-1, issued on November 13, 1989, provided guidance on how to conduct a full-scale emergency evacuation demonstration and the use of analysis and testing in lieu of conducting a full-scale demonstration. This proposed revision to the AC provides additional guidance on how to conduct a full-scale demonstration, including information on the test start signal, briefing of test participants, obtaining informed consent, and flight attendant training. In addition, the proposed revision expands the discussion on the determination on whether a combination of analysis and testing may be used in lieu of the full-scale demonstration, including the types of testing which may be necessary to support an analysis. Finally, additional guidance is provided on what and how information and test data should be provided in an analysis.

Issued in Renton, Washington, on October 8, 1998.

John J. Hickey,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service, ANM-100.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Aviation Rulemaking Advisory Committee; Transport Airplane and Engine Issues—New Tasks

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of new task assignments for the Aviation Rulemaking Advisory Committee (ARAC).

SUMMARY: Notice is given of new tasks assigned to and accepted by the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of ARAC.

FOR FURTHER INFORMATION CONTACT:

Stewart R. Miller, Transport Standards Staff (ANM-110), Federal Aviation Administration, 1601 Lind Avenue, SW., Renton, WA 98055-4056; phone (425) 227-1255; fax (425) 227-1320.

SUPPLEMENTARY INFORMATION:

Background

The FAA has established an Aviation Rulemaking Advisory Committee to provide advice and recommendations to the FAA Administrator, through the Associate Administrator for Regulation and Certification, on the full range of the FAA's rulemaking activities with respect to aviation-related issues. This includes obtaining advice and recommendations on the FAA's commitment to harmonize its Federal Aviation Regulations (FAR) and practices with its trading partners in Europe and Canada.

One area ARAC deals with is Transport Airplane and Engine Issues. These issues involve the airworthiness standards for transport category airplanes and engines in 14 CFR parts 25, 33, and 35 and parallel provisions in 14 CFR parts 121 and 135.

The Tasks

This notice is to inform the public that the FAA has asked ARAC to provide advice and recommendation on the following harmonization tasks:

Task 11: Safety and Failure Analysis

1. JAR-E requires a summary listing of all failures which result in major or hazardous effects and an estimate of the probability of occurrence of these major and hazardous effects. Part 33 requires an assessment of failures which lead to four specified hazards.

2. JAR requires a list of assumptions and the substantiation of those assumptions. Most of the JAR-E assumptions are covered by other Part 33 paragraphs.

3. JAR-E includes a unique hazard, "toxic bleed air".

4. While both regulations require analysis to examine malfunctions and single and multiple failures. Part 33 also requires an examination of improper operation.

The FAA expects ARAC to submit its recommendation(s) resulting from this task by January 31, 2000.