

SECURITIES AND EXCHANGE COMMISSION

[Release No. 344-44960; File No. SR-NSCC-2001-14]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Data Services Only Members

October 19, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("ACT")¹, notice is hereby given that on September 24, 2001, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The proposed rule change would allow NSCC to add a new membership category ("Data Services Only Member") to its rules. Data Services Only Members would be able to use certain non-clearing services available at NSCC.

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

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

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

The proposed rule change creates a new category of member that is eligible to access certain limited data and information services of NSCC. Such entities will be known as "Data Services Only Members" and would only be permitted access to those services

specifically enumerated under NSCC's rules. They would not be permitted to settle any transactions through NSCC's facilities.

Entities seeking access as a Data Services Only Member must only meet the requirements of any of clauses (i) through (vi) of Section 1 of Rule 2; that is, they must be either a registered broker-dealer, bank or trust company, registered clearing agency, insurance company or entity licensed to sell insurance products, an investment company registered under the Investment Company Act of 1940, as amended, or an entity that has demonstrated to NSCC's Board of Directors that its business and capabilities are such that it could reasonably expect material benefit from access to such services in order to be accepted as a Data Services Only Member.³

Initially, the only NSCC service that Data Services Only Members would be permitted to access the networking service provided as part of NSCC's Mutual Fund Services.

This new membership category is being added at the request of NSCC's Fund Members and the Investment Company Institute, in order to permit broker-dealers who otherwise do not qualify to be NSCC members to obtain access to customers' account data in an automated format.

NSCC's Rule 52 (Mutual Fund Services) is being amended to permit Data Services Only Members to utilize networking only to request and transmit mutual fund, investment fund and UIT customer account data. (They would not, however, be permitted to settle dividend or other networking payments through NSCC.)⁴

The proposed rule change also makes technical conforming changes to other existing rules in order to include references to Data Services Only Members. In addition, certain technical corrections are being made to update certain cross-references as a result of other recent rule changes.⁵

³ Since Data Services Only Members will not be inputting transactions for settlement through NSCC's facilities and since NSCC will thus not be subject to settlement exposure by these members. Data Services Only Members will not be required to make a clearing fund deposit, and they will not be subject to NSCC's current membership standards.

⁴ Subsequently, it is anticipated that such members would also be permitted to transmit data regarding mutual fund purchase and redemption transaction, which transactions would be settled outside the Corporation's facilities. Such extension would be the subject of a separate rule filing.

⁵ Since recently Addendum M has been deleted (with the applicable provisions now being contained in Addendum K), the reference to Addendum M in Rule 18 has been corrected to refer

A proposed fee schedule for Data Services Only Members' use of networking is being developed and will be the subject of a separate rule filing.⁶

The proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder applicable to NSCC because the rule change will increase the automation of data transmission between fund members, broker-dealers, and other entities and will permit greater access to such information, thus facilitating the prompt and accurate clearance and settlement of securities transactions.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a 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 relating to the proposed rule change have been solicited or received. NSCC has, however, worked closely with the Investment Company Institute and a representative group of mutual fund industry participants in developing the proposed Data Services Only Membership category. NSCC will notify the Commission of any written comments received by NSCC.

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)(iii) of the Act and Rule 19b-4(f)(4) thereunder because the proposed rule change effects a change in an existing service that does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and it does not significantly affect the respective rights or obligations of the clearing agency 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,

to Addendum K. In addition, the reference to "TPA Member" in Rule 29 has been deleted as an incorrect reference.

⁶ Until such time as a fee schedule has been agreed upon, this limited service will be provided free.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by NSCC.

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, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 NSCC. All submissions should refer to File No. SR-NSCC-2001-14 and should be submitted by November 15, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,
Deputy Secretary.

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with Pub. L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. SSA is soliciting comments on the accuracy of the agency's burden estimate; 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.

Written comments and recommendations regarding the information collection(s) should be submitted to the OMB Desk Officer and the SSA Reports Clearance Officer and at the following addresses:
(OMB), Office of Management and Budget, Attn: Desk Officer for SSA, New Executive Office Building, Room 10230, 725 17th St., NW., Washington, DC 20503
(SSA), Social Security Administration, DCFAM, Attn: SSA Reports Clearance Officer, 1-A-21 Operations Bldg., 6401 Security Blvd., Baltimore, MD 21235-6401

I. The information collection listed below will be submitted to OMB within 60 days from the date of this notice. Therefore, your comments should be submitted to SSA within 60 days from the date of this publication. You can obtain copies of the collection instrument by calling the SSA Reports Clearance Officer at 410-965-4145, or by writing to him at the address listed above.

Railroad Employment Questionnaire—0960-0078. The Social Security Administration (SSA) uses Form SSA-671 to secure sufficient information to effect the required coordination with the Railroad Retirement Board for Social Security claims processing. It is completed whenever claimants give indications of having been employed in the railroad industry. The respondents are applicants for Social Security benefits, who have had railroad employment, or dependents of railroad workers.

Number of Respondents: 30,000.
Frequency of Response: 1.
Average Burden Per Response: 5 minutes.
Estimated Annual Burden: 2,500 hours.

II. The information collection listed below has been submitted to OMB for clearance. Your comments on the information collections would be most useful if received by OMB and SSA within 30 days from the date of this publication. You can obtain a copy of

the OMB clearance package by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him at the address listed above.

1. Statement Regarding Students' School Attendance—0960-0113. Form SSA-2434 is used by the Social Security Administration to determine student entitlement status of the children of coal miners, children of their widows or the brothers of deceased miners eligible for Black Lung benefits. This form collects information from students about to attain age 18, for the express purpose of evaluating their continuing eligibility for program benefits under the Federal Mine Safety Act of 1977. The respondents are entitled black lung children of coal miner's or their widow, or the brother of deceased black lung coal miners.

Number of Respondents: 50.

Frequency of Response: 1.

Average Burden Per Response: 10 minutes.

Estimated Annual Burden: 8 hours.

2. The Internet Social Security Benefits Application (ISBA)—0960-0618. One of the requirements for obtaining Social Security benefits is the filing of an application so that a determination may be made on the applicant's eligibility for monthly benefits. ISBA, which is available at the Social Security Administration's (SSA) Internet site, is one method that an individual can choose to file an application for benefits. In order to make a determination on eligibility for benefits, it is necessary to elicit from the applicant information about the date and place of birth, current and recent work, receipt of non-covered pensions etc. Currently, the ISBA can only be used to apply for retirement and spouse's benefits. SSA plans to expand ISBA to encompass Disability Insurance Benefits (DIB). SSA has used information collected by ISBA to entitle individuals to retirement insurance benefits and/or spouse's benefits. The information collected by the expanded ISBA will be used to entitle individuals to DIB as well. The respondents are applicants for retirement insurance benefits, spouse's benefits and disability benefits. Below is an estimate of the public reporting burden:

Type of benefit	Number of respondents	Frequency of response	Average burden per response	Estimated annual burden
RIB	130,000	1	20 minutes	43,333 hours.
DIB	39,000	1	25-30 minutes	16,542 hours.

⁷ 17 CFR 200.30-3(a)(12).