

activity currently is conducted for cash activity and is the means of trading preferred by GSCC's members because of its efficiencies.

#### 5. East of Transition to Fully Automated Services

GSCC and its participants will gain experience in processing blind-broker repos during this first implementation stage. This experience will aid GSCC in developing and fine-tuning the fully automated blind brokering service that will provide for the settlement of same-day-settling repo start legs directly through GSCC. In the future, when fully automated services are available, IDBs will make the processing switch to submitting locked-in trade data, and GSCC anticipates a smooth transition to the new service.

GSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder. In particular, the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>10</sup> because it is designed to assure the safeguarding of securities and funds that are in the custody or control of GSCC or for which it is responsible, and it will reduce the risk exposure to its solvent participants from the default of common participants. Further, the proposed rule change will foster cooperation and coordination with entities engaged in the clearance and settlement of securities transactions.

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

GSCC does not believe that the proposed rule will have an impact 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*

Comments on the proposed rule change have not yet been solicited or received. Members will be notified of the rule filing, and comments will be solicited by an important notice. GSCC will notify the Commission of any written comments received by GSCC.

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

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (1) as the Commission may designate up to ninety 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

(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 submission 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 will also be available for inspection and copying at the principal office of GSCC. All submissions should refer to File No. SR-GSCC-96-04 and should be submitted by June 18, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-13251 Filed 5-24-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37227; File No. SR-PTC-96-01]

#### **Self-Regulatory Organizations; Participants Trust Company; Notice of Filing of a Proposed Rule Change Eliminating the Deduction of Reserve on Gain in the Calculation of Net Free Equity for Proprietary and Agency Accounts of a Receiving Participant in Certain Transactions**

May 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> notice is hereby given that on February 5, 1996, the Participants Trust Company ("PTC") filed with the

Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PTC-96-01) 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 purpose of the proposed rule change is to amend Article I, Rule 1 of PTC's Rules to eliminate the deduction of reserve on gain ("ROG") in the calculation of net free equity ("NFE") for proprietary and agency accounts of a receiving participant in certain transactions while retaining the deduction of ROG as it applies to the calculation of NFE for proprietary and agency accounts of a delivering participant.

#### 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), (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 amend Article I, Rule 1 of PTC's Rules to eliminate the deduction of ROG in the calculation of NFE for proprietary and agency accounts of a receiving participant in certain transactions. PTC intends to retain the deduction of ROG as it applies to the calculation of NFE for proprietary and agency accounts of a delivering participant.

Under PTC's current rules, in connection with any account transfer versus payment, ROG is: (1) With respect to a delivering participant, the amount by which the contract value credited to the cash balance of the account of the delivering participant exceeds the market value of the securities delivered or (ii) with respect

<sup>11</sup> 17 CFR 200.30-3(a)(12) (1995).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

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

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

to a receiving participant, the amount by which the market value of the securities credited to the transfer account associated with the account of the receiving participant exceeds the contract value of the transaction. As explained below, ROG (if applicable) is excluded in the computation of NFE for proprietary and agency accounts.

As set forth in Article II, Rule 9 of PTC's Rules, NFE for any agency or proprietary account is calculated as the sum of (i) the applicable percentage, as defined in Article I, Rule 1 of PTC's rules, of the market value of securities in the account and the associated transfer account, (ii) the cash balance in the account, and (iii) the participant's supplemental processing collateral, as calculated pursuant to the formula set forth in Article I, Rule 1 of PTC's rules, to the extent not required to collateralize an account transfer in any other account, minus the amount (if any) of ROG with respect to the account.

NFE measures the value associated with the account of a participant that is available to support transaction processing to or from the participant's account. Under Article II, Rule 9, Section 2 and Article II, Rule 13, PTC will not process an account transfer of securities if as a result of such transfer the account of that delivering participant or receiving participant will have negative NFE.

In any account transfer versus payment from a proprietary of agency account in which the contract value of the securities exceed the market value, the deliverer's ROG is the difference in those values. The deliverer's ROG is deducted in calculating the NFE of the account of the delivering participant to prevent the delivering participant from using the gain on the transaction to increase its NFE (*i.e.*, the amount available to the participant to support other activity in its account). The deduction of the deliverer's ROG creates an NFE "reserve" to ensure that if necessary sufficient funds exist in the delivering participant's account to permit the debit of the contract value from the cash balance in the account of the delivering participant in the event the transaction is reversed (*i.e.*, "DK'ed") by the receiving participant because of error or other circumstances permitted under the guidelines for good delivery. The ROG deduction also prevents a delivering participant, who inputs the terms of the trade on PTC's system, from abusing the system by creating additional NFE through the delivery versus payment of securities at an artificially inflated value.

The receiver's ROG is the difference in value that results when the market

value of securities received into a proprietary or agency account versus payment exceeds the contract value of the securities. (*I.e.*, On the receive-side of the transaction, the amount of the potential NFE gain would be the excess of market value of the securities over contract value.) Currently, the receiver's ROG is deducted in the calculation of NFE of the account of the receiving participant. However, the rationale for deducting the receiver's ROG is different from that for deducting the deliverer's ROG. Unlike deliver-side ROG, receive-side ROG is not needed to ensure a receiving participant's ability to reverse a securities transaction because the receiving participant initiates the reversal and controls the availability of NFE in its account.

The deduction of the receiver's ROG in the NFE calculation for an account of a receiving participant was incorporated into PTC's rules in 1989 pursuant to the order granting PTC's registration as a clearing agency. The rule's purpose was to assure sufficient NFE in an account to enable PTC to reverse securities deliveries to achieve settlement in the event of participant default.<sup>3</sup> The provisions of PTC's rules providing the ability to reverse transactions has been deleted.<sup>4</sup> Accordingly, deduction of ROG from the NFE on the receive-side is no longer required.

PTC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because the proposal facilitates the prompt and accurate clearance and settlement of securities transactions and provides for the safeguarding of securities and funds in PTC's possession or control or for which PTC is responsible.

<sup>3</sup> In 1988, MBS Clearing Corporation ("MBSCC"), PTC's predecessor, proposed a rule change to its Depository Division rules to include receiver's ROG in the NFE calculation of a receiving participant's account. Securities Exchange Act Release No. 26101 (September 22, 1988), 53 FR 37895 [File No. SR-MBS-88-14] (notice of filing of proposed rule change relating to Depository Division rules). Subsequently, the order granting PTC's registration as a clearing agency incorporated the proposed rule change stating that PTC's rules were essentially identical to MBSCC's Depository Division rules including the most recently proposed rule changes. Securities Exchange Act Release No. 26671 (March 31, 1989), 54 FR 13266, [File No. 600-25] (order granting registration as a clearing agency and statement of reasons).

<sup>4</sup> For a more complete discussion of PTC's reasons for removing the reversal capability, refer to Securities Exchange Act Release No. 27193 (August 29, 1989), 54 FR 37065 [File No. SR-PTC-89-02] (order approving proposed rule change).

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

PTC does not perceive that the proposed rule change will impose a burden on competition.

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

PTC has not solicited nor received written comments on this proposed rule change.

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

Within thirty-five 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 ninety 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

(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 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 provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of PTC. All submissions should refer to File No. SR-PTC-96-01 and should be submitted by June 18, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

<sup>5</sup> 17 CFR 200.30-3(a)(12) (1995).

Margaret H. McFarland,  
Deputy Secretary.  
[FR Doc. 96-13250 Filed 5-24-96; 8:45 am]  
BILLING CODE 8010-01-M

## SURFACE TRANSPORTATION BOARD

### Sunshine Act Meeting; Board Conference

**TIME AND DATE:** 10:00 a.m., June 5, 1996.

**PLACE:** Hearing Room A, Surface Transportation Board, 1201 Constitution Avenue, N.W., Washington, D.C. 20423.

**STATUS:** The Board will meet to discuss among themselves the following agenda items. Although the conference is open for the public observation, no public participation is permitted.

#### MATTERS TO BE DISCUSSED:

STB Ex Parte No. 529, *Class Exemption for Acquisition or Operation of Rail Line by Class III Rail Carriers Under 49 U.S.C. 10902.*

Docket No. AB-452 (Sub-No. 1X), *The Western Stock Show Association—Abandonment Exemption—in Denver, CO.*

Finance Docket No. 32802, *Philadelphia Belt Line Railroad Company v. Consolidated Rail Corporation, CP Rail System, and CSX Transportation, Inc.* Docket No. AB-1 (Sub-No. 192X) *Chicago and North Western Transportation Company—Abandonment Exemption—Guthrie and Dallas Counties, IA.*<sup>1</sup>

#### CONTACT PERSONS FOR MORE

**INFORMATION:** Dennis Watson, Office of Congressional and Press Service, Telephone: (202) 927-5350, TDD: (202) 927-5721.

Vernon A. Williams,  
Secretary.

[FR Doc. 96-13445 Filed 5-23-96; 8:45 am]

BILLING CODE 4915-00-P

## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board<sup>1</sup>

[STB Finance Docket No. 32888]

#### Angelina & Neches River Railroad Company—Purchase Exemption—Texas South-Eastern Railroad Company

**AGENCY:** Surface Transportation Board.

<sup>1</sup> Includes Docket No. AB-6 (Sub-No. 374), *Burlington Northern Railroad Company—Adverse Discontinuance—in Denver, CO*, Docket No. AB-33 (Sub-No. 92), *Union Pacific Railroad Company—Adverse Discontinuance—in Denver, CO*, and Docket No. AB-446 (Sub-No. 2), *Denver Terminal Railroad Company—Adverse Abandonment—in Denver, CO*.

<sup>1</sup> The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803, which was enacted on December 29, 1995, and took effect on January 1, 1996, abolished the Interstate Commerce

**ACTION:** Notice of exemption.

**SUMMARY:** The Board, under 49 U.S.C. 10502, exempts from the prior approval requirements of 49 U.S.C. 10902, the acquisition of approximately 2.9 miles of rail line in Lufkin, Angelina County, TX, by Angelina & Neches River Railroad Company, a Class III railroad.

**DATES:** The exemption will be effective June 28, 1996. Petitions to stay must be filed by June 10, 1996. Petitions to reopen must be filed by June 18, 1996.

**ADDRESSES:** Send pleadings, referring to STB Finance Docket No. 32888 to: (1) Surface Transportation Board, Office of the Secretary, Case Control Branch, 1201 Constitution Avenue N.W., Washington, DC 20423; and (2) petitioner's representative: Peter A. Greene, THOMPSON HINE & FLORY P.L.L., Suite 800, 1920 N Street, N.W., Washington, DC 20036.

**FOR FURTHER INFORMATION CONTACT:** Joseph H. Dettmar, (202) 927-5660.

[TDD for the hearing impaired: (202) 927-5721.]

#### SUPPLEMENTARY INFORMATION:

Additional information is contained in the Board's decision. To purchase a copy of the full decision, write to, call, or pick up in person from: DC News & Data, Inc., Room 2229, 1201 Constitution Avenue, N.W., Washington, D.C. 20423. Telephone (202) 289-4357/4359. [Assistance for the hearing impaired is available through TDD services (202) 927-5721.]

Decided: May 15, 1996.

By the Board, Chairman Morgan, Vice Chairman Simmons, and Commissioner Owen.

Vernon A. Williams,  
Secretary.

[FR Doc. 96-13277 Filed 5-24-96; 8:45 am]

BILLING CODE 4915-00-P

### Surface Transportation Board<sup>1</sup>

[STB Docket No. AB-413 (Sub-No. 1X)]

#### Great Western Railway of Iowa, L.L.C., d/b/a Council Bluffs Railway—Abandonment Exemption—in Council Bluffs, IA

Great Western Railway of Iowa, L.L.C., d/b/a Council Bluffs Railway

Commission (ICC) and transferred certain functions and proceedings to the Surface Transportation Board (Board). This notice relates to functions that are subject to Board jurisdiction pursuant to 49 U.S.C. 10902.

<sup>1</sup> The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803, which was enacted on December 29, 1995, and took effect on January 1, 1996, abolished the Interstate Commerce Commission and transferred certain functions to the Surface Transportation Board (Board). This notice

(CBGR) filed a notice of exemption under 49 CFR 1152 Subpart F—*Exempt Abandonments* to abandon approximately 1 mile of its line of railroad from milepost 409.5 on the west side of Iowa State Highway 192 (also known as the South Expressway), to milepost 410.5 near South 17th Street, including the Milwaukee Connector Track, in the City of Council Bluffs, Pottawattamie County, IA.

CBGR has certified that: (1) No local traffic has moved over the line for at least 2 years; (2) any overhead traffic on the line has been rerouted; (3) no formal complaint filed by a user of rail service on the line (or by a state or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending with the Board or with any U.S. District Court or has been decided in favor of complainant within the 2-year period; and (4) the requirements at 49 CFR 1105.7 (environmental reports), 49 CFR 1105.8 (historic reports), 49 CFR 1105.11 (transmittal letter), 49 CFR 1105.12 (newspaper publication), and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to use of this exemption, any employee adversely affected by the abandonment shall be protected under *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed.

Provided no formal expression of intent to file an offer of financial assistance (OFA) has been received, this exemption will be effective on June 27, 1996, unless stayed pending reconsideration. Petitions to stay that do not involve environmental issues,<sup>2</sup> formal expressions of intent to file an OFA under 49 CFR 1152.27(c)(2),<sup>3</sup> and trail use/rail banking requests under 49 CFR 1152.29<sup>4</sup> must be filed by June 7, 1996. Petitions to reopen or requests for public use conditions under 49 CFR

relates to functions that are subject to the Board's jurisdiction pursuant to 49 U.S.C. 10903.

<sup>2</sup> The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by the Board's Section of Environmental Analysis in its independent investigation) cannot be made before the exemption's effective date. See *Exemption of Out-of-Service Rail Lines*, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption's effective date.

<sup>3</sup> See *Exempt. of Rail Abandonment—Offers of Finan. Assist.*, 4 I.C.C.2d 164 (1987).

<sup>4</sup> The Board will accept late-filed trail use requests so long as the abandonment has not been consummated and the abandoning railroad is willing to negotiate an agreement.