

amendment will become effective on the day the notice affirming the final rule is published in the Federal Register. This approach will allow interested persons to know with greater certainty that the amendment had in fact taken effect, without having to determine whether another party had filed objections.

As noted above, the Commission's staff currently has a policy of not enforcing against fuse burn time violations as low as 2 seconds for all subject fireworks except reloadable shell devices, bottle rockets, and jumping jacks that exhibit erratic flight. The Commission intends to continue the current policy with respect to fuse burn times of 2 to 3 seconds until at least June 30, 1997, in order to minimize any adverse economic effects on the industry. Thus, subject to further notice, no enforcement actions will be brought on the basis of fuse burn times between 2 and 3 seconds against subject fireworks that are imported or shipped from a U.S. manufacturer by June 30, 1997, or 6 months after the effective date of the amendment, whichever is longer.

Also, after notifying the Commission, the CPSC staff on November 7, 1996, established an interim policy of allowing fuse burn times between 6 and 9 seconds. Therefore, until the amendment to allow fuse burn times of between 3 and 9 seconds becomes effective, the staff will not bring enforcement actions based on fuse burn time violations in the 6 to 9-second range.

V. Final Regulatory Flexibility Analysis

When an agency undertakes a rulemaking proceeding, the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, generally requires the agency to prepare initial and final regulatory flexibility analyses describing the impact of the rule on small businesses and other small entities. An agency is not required to prepare a regulatory flexibility analysis if the head of an agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 605.

The purpose of the Regulatory Flexibility Act, as stated in section 2(b) (5 U.S.C. 602 note), is to require agencies, consistent with their objectives, to fit the requirements of regulations to the scale of the businesses, organizations, and governmental jurisdictions subject to the regulations.

Based on information from the U.S. Department of Commerce and industry sources, the estimated value of imported shipments of consumer fireworks is about \$70 to \$100 million annually.

Practically all of the imports are from China.

Most U.S. firms that import, distribute, or manufacture fireworks for consumer use are small, and the rule is not expected to result in any adverse impact. This is because the change to a longer fuse, which should increase production costs by only about one percent, will generate savings as a result of fewer rejections of fireworks due to fuse burn time violations. Based on information from a trade association and CPSC's Office of Compliance, an estimated 40 to 50 percent of the rejections of fireworks as a result of private and CPSC testing are due to fuse burn time violations. The savings from the reduced violations, according to a representative of an industry trade association, could reach approximately \$20 million annually. This may result in lower prices to the consumer.

Industry sources indicate that any necessary adjustments to the manufacturing process will take approximately 1 week to accomplish once notification is received. Since fireworks which comply with the current 3 to 6-second fuse burn time requirement will necessarily comply with the new 3 to 9-second fuse burn time requirement and because the existing enforcement policy will be continued for a sufficient period of time—there will be no economic impact resulting from the choice of effective date.

VI. Environmental Impact

Pursuant to the National Environmental Policy Act, and in accordance with the Council on Environmental Quality regulations and CPSC procedures for environmental review, the Commission has assessed the possible environmental effects associated with the amendment to the fuse burn times of fireworks.

The Commission's regulations at 16 CFR 1021.5(c)(1) and (2) state that safety standards for consumer products normally have little or no potential for affecting the human environment. Since the acceptable fuse burn times will increase from the range of 3 to 6 seconds to the range of 3 to 9 seconds—and because the existing enforcement policy will be continued for a sufficient period of time—the change will not cause any increase in noncomplying fireworks, which would require disposal. Therefore, no significant environmental effects are expected from the amended rule. Accordingly, neither an environmental assessment nor an environmental impact statement is required.

IX. Conclusion

List of Subjects in 16 CFR Part 1507

Consumer protection, Explosives, Fireworks.

For the reasons set out in the preamble, title 16, chapter II, part 1507, of the Code of Federal Regulations is amended as follows.

PART 1507—FIREWORKS DEVICES

1. The authority citation for part 1507 is revised to read as follows:

Authority: 15 U.S.C. 1261–1262, 2079(d); 21 U.S.C. 371(e).

§ 1507.3 [Amended]

2. In section 1507.3(a)(2), remove the words “6 seconds” and add, in their place, the words “9 seconds”.

Dated: December 16, 1996.

Sadye E. Dunn,

Secretary, Consumer Product Safety Commission.

[FR Doc. 96–32397 Filed 12–19–96; 8:45 am]

BILLING CODE 6355–01—P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 230, 232 and 239

[Release No. 33–7373]

Revisions to Forms SB–1, SB–2, Regulation A and Regulation S-T With Regard to the Appropriate Place for Filing for Registrants in the Regions Covered by the Northeast, Southeast, Midwest, Central and Pacific Regional Offices

AGENCY: Securities and Exchange Commission.

ACTION: Final rules.

SUMMARY: The Securities and Exchange Commission (“Commission”) is amending Forms SB–1, SB–2, and Regulation A to provide that registrants may no longer file their Forms SB–1 and SB–2 registration statements and Regulation A materials in the Commission's Regional Offices given recently implemented changes to its filing processing programs. All such documents must be filed at the Commission's Headquarters in Washington, D.C. Regulation S-T, the electronic filing regulation of the Commission, also is being amended to reflect this change.

EFFECTIVE DATES: The rule revisions are effective January 21, 1997, except that the amendment to § 232.101(c) is effective May 5, 1997.

FOR FURTHER INFORMATION CONTACT: Barbara C. Jacobs or James R. Budge,

(202) 942-2950, Office of Small Business Review, Division of Corporation Finance, Securities and Exchange Commission, 450 Fifth Street, NW., Mail Stop 7-8, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is adopting amendments to the following forms and rules: Form SB-1,¹ Form SB-2,² Rule 252,³ Rule 254,⁴ Rule 255,⁵ Rule 256,⁶ Rule 257,⁷ Rule 259,⁸ Form 1-A,⁹ and Form 2-A¹⁰ under Regulation A.¹¹ Rule 101(c) of Regulation S-T¹² also is being amended to reflect these revisions. The purpose of these amendments is to reflect the fact that the Regional Offices of the Commission will no longer review small business issuer registration forms and Regulation A material.

I. Amendments

Forms SB-1¹³ and SB-2¹⁴ are special registration statement forms for the use of small business issuers¹⁵ to register their securities for sale under the Securities Act of 1933.¹⁶ Forms SB-1 and SB-2 provide that a registration statement on the Form relating to an initial public offering may be filed either at the Commission's Headquarters in Washington, D.C., or in certain Regional or District Offices for the region closest to the registrant's principal place of business. Regulation A provides an exemption from the registration requirements of the Securities Act for any offering made in accordance with the conditions of that exemption.¹⁷ Regulation A requires that an offering statement, which contains specified information, be filed either at

the Commission's Headquarters in Washington, D.C. or with certain Regional or District Offices for the region in which the issuer's principal business operations are conducted or proposed to be conducted.¹⁸

On October 9, 1996, the Commission announced that its Regional Offices will no longer review small business issuer registration forms and Regulation A filings made in those Offices as of October 15, 1996.¹⁹ Rather, filings made in the Regional Offices would be accepted and forwarded promptly for review to the special new Headquarters unit that specializes in small company filings and the needs of small businesses.

II. Purpose of Changes and Effective Dates

The purpose of today's amendments is to require Forms SB-1 and SB-2 relating to initial public offerings and Regulation A material that previously could have been made at the Regional Offices to be filed directly at the Commission's Headquarters in Washington, D.C. On and after the effective date of the rule revisions, new filings on Forms SB-1 and SB-2, as well as Regulation A material, will not be accepted in any of the Commission's Regional or District Offices. Filings pending in the Northeast, Midwest, Central and Pacific Regional Offices, as well as the Atlanta District Office, before the effective date of these rules will continue to be processed there until effectiveness, withdrawal or abandonment unless staffing requirements necessitate transfer to the Commission's Headquarters. Post-effective and post-qualification amendments relating to documents previously filed in the Regional or District Offices should be filed at the Commission's Headquarters in Washington, D.C.

Rule 101(c)(7) of Regulation S-T²⁰ is being revised to reflect the elimination of filing with the Regional or District Offices of the Commission. Consequently, all Forms SB-1 and SB-2 will be required to be filed via the Commission's Electronic Data Gathering, Analysis and Retrieval system ("EDGAR") rather than in paper (as was previously allowed for Regional Office filings).²¹ In order to allow small

businesses time to prepare for this change, until May 5, 1997 filing via EDGAR of Forms SB-1 and SB-2 relating to initial public offerings *only* may be made in paper at the Commission's Headquarters. On or after May 5, 1997, these filings must be made via EDGAR absent a hardship exemption.²² Regulation A filings will continue to be filed in paper pursuant to Rule 101(c) of Regulation S-T.²³

The action being taken today is an important feature of a Commission initiative to improve generally the regulatory conditions for small business. As noted, the Commission has created a special new Headquarters unit that specializes in small company filings and the needs of small businesses. The Commission also has appointed a special ombudsman to serve as a liaison and agency spokesman for the concerns of small business. Regional liaisons for small companies have been appointed in each of the Commission's Regional Offices so that a Commission staff member is always available locally for entrepreneurs to contact. Six small business town hall meetings between the Commission and small businesses have been held across the country, and will continue to be held, to convey basic information to small businesses about some of the fundamental requirements that must be addressed when they wish to raise capital through the sale of securities. In addition, the Commission is learning more about the concerns and problems facing small businesses in raising capital so that programs can be designed to meet their needs, consistent with the protection of investors. The Commission also maintains a special selection of relevant information on its World Wide Web site targeted to the interests of and to assist small businesses (<http://www.sec.gov>).

The rule changes are generally effective January 21, 1997. The change to Regulation S-T, however, is effective May 5, 1997.

subject to electronic filing and chose to file at Headquarters.

²² For further information regarding hardship exemptions, see Rule 202 of Regulation S-T [17 CFR 232.202].

Prior to May 5, 1997, registrants may file these registration statements electronically. Reports filed with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act [15 U.S.C. 79m(a) and 79o(d)] must be filed electronically. See Rule 101(a) of Regulation S-T [17 CFR 232.101(a)].

²³ Current Rule 101(c)(8) of Regulation S-T [17 CFR 232.101(c)(8)]. Under the amendments being adopted today, (c)(7), which prohibits the filing of Regional and District filings via EDGAR, will be removed and the succeeding paragraphs will be renumbered so that Rule 101(c)(8), which pertains to Regulation A filings, will become Rule 101(c)(7) of Regulation S-T.

¹ 17 CFR 239.9.

² 17 CFR 239.10.

³ 17 CFR 230.252.

⁴ 17 CFR 230.254.

⁵ 17 CFR 230.255.

⁶ 17 CFR 230.256.

⁷ 17 CFR 230.257.

⁸ 17 CFR 230.259.

⁹ 17 CFR 239.90.

¹⁰ 17 CFR 239.91.

¹¹ 17 CFR 230.251 *et seq.*

¹² 17 CFR 232.101(c).

¹³ This form is available to a small business issuer to raise up to \$10 million in a 12 month period, under certain conditions.

¹⁴ The form is available to any small business issuer to raise any dollar amount of funds in cash. It may be used for repeat offerings as long as the definition of small business issuer is applicable.

¹⁵ A small business issuer is a United States or Canadian company that has not had more than \$25 million in revenues during its most recent fiscal year provided that the aggregate market value for its outstanding securities held by non-affiliates does not exceed \$25 million. See Securities Act Rule 405 (17 CFR 230.405) and Rule 12b-2 (17 CFR 240.12b-2) under the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*).

¹⁶ 15 U.S.C. 77a *et seq.*

¹⁷ 17 CFR 230.251-.263.

¹⁸ Securities Act Rule 252.

¹⁹ See SEC Press Release No. 96-123 (October 9, 1996).

²⁰ 17 CFR 232.101(c)(7).

²¹ Since mandated electronic filing commenced in April 1993, small business issuers have been required to file small business registration statement forms via EDGAR if the registrant was

The Commission finds in accordance with Section 553(b) of the Administrative Procedure Act ("APA")²⁴ that this action relates solely to agency organization, procedure or practice and that such section makes unnecessary the notice and prior publication required by that Act. It follows that the Regulatory Flexibility Act is inapplicable. Under 5 U.S.C. 804, this rule is exempt from the definition of the term "rule" for purposes of Chapter 8, entitled "Congressional Review of Agency Rulemaking," since the rule is a rule of "agency organization, procedure, or practice that does not substantially affect the rights or obligations of non-agency parties."

III. Statutory Basis

The amendments to the Commission's rules and forms are being made pursuant to Section 19(a) of the Securities Act.

List of Subjects in 17 CFR Parts 230, 232 and 239

Reporting and recordkeeping, Securities.

Text of the Amendments

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

1. The authority citation for part 230 continues to read in part as follows:

Authority: 15 U.S.C. 77b, 77f, 77g, 77h, 77j, 77s, 77sss, 78c, 78d, 78l, 78m, 78n, 78o, 78w, 78ll(d), 79t, 80a-8, 80a-29, 80a-30, and 80a-37, unless otherwise noted.

* * * * *

2. By amending § 230.252 by revising paragraph (e) and the second sentence of paragraph (h)(1) to read as follows:

§ 230.252 Offering statement.

* * * * *

(e) *Number of copies and where to file.* Seven copies of the offering statement, at least one of which is manually signed, shall be filed with the Commission's main office in Washington, D.C.

* * * * *

(h) *Amendments.* (1) * * * Seven copies of every amendment shall be filed with the Commission's main office in Washington, D.C. * * *

* * * * *

3. By amending § 230.254 by revising the first sentence of paragraph (b)(1) to read as follows:

§ 230.254 Solicitation of interest document for use prior to an offering statement.

* * * * *

(b) * * *

(1) On or before the date of its first use, the issuer shall submit a copy of any written document or the script of any broadcast with the Commission's main office in Washington, D.C. (Attention: Office of Small Business Review). * * *

* * * * *

4. By amending § 230.255 by revising the first sentence after paragraph (a)(1) to read as follows:

§ 230.255 Preliminary offering circulars.

(a) * * *

(1) * * *

An offering statement pursuant to Regulation A relating to these securities has been filed with the Securities and Exchange Commission. * * *

* * * * *

5. By amending § 230.256 by revising the introductory text to read as follows:

§ 230.256 Filing of sales material.

While not a condition to an exemption pursuant to this provision, seven copies of any advertisement or written communication, or the script of any radio or television broadcast, shall be filed with the main office of the Commission in Washington, D.C.

* * * * *

6. By amending § 230.257 by revising the first sentence of the introductory text to read as follows:

§ 230.257 Report of sales and use of proceeds.

While not a condition to an exemption pursuant to this provision, the issuer and/or each selling security holder shall file seven copies of a report concerning sales and use of proceeds on Form 2-A (§ 239.91 of this chapter), or other prescribed form with the main office of the Commission in Washington, D.C. * * *

* * * * *

7. By amending § 230.259 by revising the last sentence of paragraph (a) to read as follows:

§ 230.259 Withdrawal or abandonment of offering statements.

(a) * * * The application for withdrawal shall state the reason the offering statement is to be withdrawn, shall be signed by an authorized representative of the issuer and shall be provided to the main office of the Commission in Washington, D.C. * * *

PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

8. The authority citation for part 232 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

§ 232.101 [Amended]

9. By amending § 232.101 by removing paragraph (c)(7) and by redesignating paragraphs (c)(8) through (c)(20) as paragraphs (c)(7) through (c)(19).

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

10. The authority citation for part 239 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t, 80a-8, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

* * * * *

§ 239.9 [Form SB-1—Amended]

11. By amending Form SB-1 (referenced in § 239.9) by revising General Instruction A.2. and removing General Instruction A.4. and A.5. to read as follows:

Note: The text of Form SB-1 does not and the amendments will not appear in the Code of Federal Regulations.

FORM SB-1

* * * * *

General Instructions

A. Use of Form and Place of Filing

* * * * *

2. The small business issuer shall file the registration statement in the Washington, D.C. office.

* * * * *

§ 239.10 [Form SB-2 amended]

12. By amending Form SB-2 (referenced in § 239.10) by revising General Instruction A.2. and removing General Instruction A.4. to read as follows:

Note: The text of Form SB-2 does not and the amendments will not appear in the Code of Federal Regulations.

FORM SB-2

* * * * *

General Instructions

A. Use of Form and Place of Filing

* * * * *

2. Offerings on Form SB-2 shall be filed in the Washington, D. C. office.

* * * * *

²⁴ 5 U.S.C. 553(b).

§ 239.90 [Form 1–A Amended]

13. By amending Form 1–A (referenced in § 239.90) by removing the last two sentences of General Instruction II.

Note: The text of Form 1–A does not and the amendments will not appear in the Code of Federal Regulations.

§ 239.91 [Form 2–A amended]

14. By amending Form 2–A (§ 239.91) by revising General Instructions to read as follows:

Note: The text of Form 2–A does not and the amendments will not appear in the Code of Federal Regulations.

FORM 2–A

* * * * *

General Instructions

The report shall be filed in accordance with the provisions of Rule 257 of Regulation A.

Answer each item in the box(es) or spaces provided. If additional space is required for any response, continue the response on an attached sheet.

If the issuer is required to file any report(s) on this form subsequent to its initial filing, each subsequent filing shall be deemed an amendment to the initial filing. Do not report in any amendment responses to Items 3–11 unless the information has changed.

No fee is required to accompany this filing. Seven copies of the form shall be filed with the main office of the Commission in Washington, D.C. At least one copy of the form shall be manually signed; other copies may bear typed or printed signatures.

* * * * *

Dated: December 16, 1996.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 96–32336 Filed 12–19–96; 8:45 am]

BILLING CODE 8010–01–P

SOCIAL SECURITY ADMINISTRATION**20 CFR Part 416****[Regulations No. 16]**

RIN 0960–AE59

Supplemental Security Income for the Aged, Blind, and Disabled; Dedicated Accounts and Installment Payments for Certain Past-Due SSI Benefits

AGENCY: Social Security Administration.

ACTION: Interim final rule with request for comments.

SUMMARY: These regulations reflect and implement amendments to the Social Security Act (the Act) made by sections 213 and 221 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Section 213

requires the establishment of accounts in financial institutions for the payment of past-due SSI benefits exceeding 6 months' benefits to representative payees on behalf of children under age 18. These accounts will be dedicated for certain purposes by restrictions on the use of such past-due benefits. Section 221 requires past-due SSI benefits which equal or exceed 12 months' benefits to be paid in installments, with certain exceptions.

DATES: These interim final rules are effective on December 20, 1996. To be sure that your comments are considered, we must receive them no later than February 18, 1997.

ADDRESSES: Comments should be submitted in writing to the Commissioner of Social Security, P.O. Box 1585, Baltimore, MD 21235, sent by telefax to (410) 966–2830, sent by E-mail to 'regulations@ssa.gov', or delivered to the Division of Regulations and Rulings, Social Security Administration, 3–B–1 Operations Building, 6401 Security Boulevard, Baltimore, MD 21235, between 8:00 a.m. and 4:30 p.m. on regular business days. Comments received may be inspected during these hours by making arrangements with the contact person shown below.

FOR FURTHER INFORMATION CONTACT: Regarding this Federal Register document—Richard M. Bresnick, Legal Assistant, Division of Regulations and Rulings, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965–1758; regarding eligibility or filing for benefits—our national toll-free number, 1–800–772–1213.

SUPPLEMENTARY INFORMATION: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law (Pub. L.) 104–193, was enacted on August 22, 1996. Section 213 of Pub. L. 104–193 amended section 1631(a)(2) of the Act, effective for payments made after August 22, 1996, by adding a new subparagraph (F) to require the representative payee of an eligible individual under age 18 to establish "an account in a financial institution" (which we will refer to as a "dedicated account") if the individual is eligible for past-due monthly supplemental security income (SSI) benefits (including any federally administered State supplementary payments) which (after any withholding for interim assistance reimbursement (IAR) to States) exceed six times the Federal Benefit Rate (FBR) plus any federally administered State supplementation. Once the dedicated account has been established by the representative payee for the eligible

individual, SSA will direct deposit the past-due benefits into the dedicated account. Any subsequent past-due benefits payable which exceed six times the FBR plus any federally administered State supplementation also must be deposited directly by SSA into the dedicated account. However, if the eligible individual receives subsequent past-due benefits which are less than or equal to six times the FBR plus any federally administered State supplementation, these past-due benefits may be, but are not required to be, deposited into the dedicated account by the representative payee. Other funds representing an SSI underpayment which are equal to or greater than the Federal Benefit Rate also may be deposited into such an account.

Section 213 provides that funds in the dedicated account are to be used only for certain specified purposes, primarily those related to the child's impairment(s). Under the new statutory provision, the use of dedicated account funds for unauthorized items or services is considered a "misapplication" of benefits. A representative payee who knowingly misapplies funds from a dedicated account shall be personally liable to the Commissioner of Social Security (the Commissioner) in an amount equal to the amount misapplied. Section 213 also requires SSA to establish a system to monitor representative payee activity with respect to dedicated accounts.

Sections 213(b) and 213(c) of Pub. L. 104–193 also amended sections 1613(a) and 1612(b) of the Act, respectively, to provide an exclusion from resources for funds in a dedicated account established and maintained in accordance with section 1631(a)(2)(F) of the Act, including accrued interest or other earnings thereon, and to provide an exclusion from income for such interest and earnings.

Section 221 of Pub. L. 104–193 also affects the payment of large SSI past-due benefits payable to SSI recipients. This statutory provision, which is effective for past-due benefits paid on December 1, 1996 or later, amended section 1631(a) of the Act by adding a new paragraph (10) which requires payment of large past-due benefit amounts in installments. Prior to this provision, we paid past-due benefits directly to the eligible individual or the representative payee in a lump sum payment. Under the new statutory provision, past-due benefits (including any federally administered State supplementary payments) in an amount that (after reimbursement for IAR) equals or exceeds 12 times the FBR plus any federally administered State