

and Disarmament Agency. Effective September 10, 1997.

United States Information Agency

Director, Office of Congressional and External Affairs to the Director, International Broadcasting Bureau. Effective September 25, 1997.

United States Tax Court

Trial Clerk to a Judge. Effective September 11, 1997.

Trial Clerk to a Judge. Effective September 11, 1997.

Trial Clerk to a Judge. Effective September 11, 1997.

Authority: 5 U.S.C. 3301 and 3302; E.O. 10577, 3 CFR 1954-1958 Comp., P.218.

Office of Personnel Management.

Janice R. Lachance,

Acting Director.

[FR Doc. 97-30718 Filed 11-21-97; 8:45 am]

BILLING CODE 6325-01-P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Rule 29, File No. 270-169, OMB Control No. 3235-0149

Rule 83, File No. 270-82, OMB Control No. 3235-0181

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Rule 29 [17 CFR 250.29] states that "[a] copy of each annual report submitted by a registered holding company or any subsidiary thereof to a State Commission covering operations not reported to the Federal Energy Regulatory Commission shall be filed with the Securities and Exchange Commission no later than ten days after such submission." The Commission receives about 62 annual reports per year under this regulation, which imposes an annual burden of about 15.5 hours.

Rule 83 [17 CFR 250.83] authorizes an exemption from the "at cost" requirements of Section 13(b) for "the performance of any service, sales, or

construction contract for any associate company which does not derive, directly or indirectly, any material part of its income from sources within the United States and which is not a public utility company operating within the United States * * *." The Commission receives about one application per year under Rule 83, which imposes an annual burden of about three hours.

The estimates of average burden hours are made for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

It should be noted that "an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number."

Written comments regarding the above information shall be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: November 13, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-30722 Filed 11-21-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39331; File No. SR-CBOE-97-56]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Board Options Exchange, Inc. Relating to the Elimination of the Prohibition on the Use of Headsets and Other Telephone Technology

November 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on October

20, 1997, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I and II below, which Items have been prepared by the CBOE. On November 3, 1997, the CBOE filed Amendment No. 1 to its proposal.³ On November 13, 1997, the CBOE submitted a letter clarifying its ability to surveil the use of telephone headsets on its trading floors.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change.

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

The CBOE proposes to eliminate certain restrictions on the types of telephones that may be used at the trading posts for equity options and options on the Standard & Poor's 100 Index ("OEX"). The text of the proposed rule change and Amendment No. 1 is available at the Office of the Secretary, CBOE, and at the Commission.

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

In its filing with the Commission, the CBOE 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 III below. The CBOE has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change is to eliminate the prohibitions on certain types of telephones that may

³ In Amendment No. 1, the CBOE added a sentence to clarify that the immediate impact of the rule change will be to allow members in the Standard & Poor's 100 Index pit and in equity pits to use headsets that are being provided with the Exchange's new Ericsson wireless telephone system. See Letter from Timothy Thompson, Senior Attorney, CBOE, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated October 31, 1997.

⁴ See Letter from Timothy Thompson, Senior Attorney, CBOE, to Jerome Roche, Law Clerk, Division of Market Regulation, SEC, dated November 13, 1997.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

be used by members at the equity option posts and at the OEX trading post. The Exchange's phone policy for the OEX option trading post is reflected in Regulatory Circular RG 96-73, and the Exchange's phone policy for the equity option trading post is contained in Regulatory Circulars RG 94-26 and RG 97-03.

The Exchange is proposing to eliminate the current prohibition on the use of headsets and cellular telephones at both the equity and the OEX option trading posts. The Exchange no longer sees a regulatory reason for continuing to impose these specific prohibitions. The Exchange believes that its customary floor surveillance procedures and the monitoring of trading activities of a member, after a call, by other self-interested members of the trading post are sufficient. In place of prohibiting the use of these types of telephones, the Exchange will issue a circular to its members stating that "the Exchange may disapprove the use of any type of telephone technology that interferes with the normal operation of the Exchange's own systems or facilities or that the Exchange determines interferes with its regulatory duties." The Exchange believes this constitutes a clarification of the authority the Exchange already exercises under Exchange Rule 6.23 which permits the Exchange to "direct the discontinuance of any communication facility terminating on the floor of the Exchange." Pursuant to Rule 6.23, the Exchange will continue to prohibit the use of cellular telephones. In addition to distributing the circular, the Exchange will redistribute a revised version of the OEX and equity option post telephone circulars with the change in the policy indicated. As under the current policies, the CBOE's members wishing to establish a telephone line on the floor must first receive approval of the Exchange or the appropriate Floor Procedure Committee.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act⁵ that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest. The Exchange believes that the elimination of the prohibition on headsets and other telephone technology is consistent with these

objectives in that it is designed to improve communication to and from the Exchange's trading floor in a manner that prevents fraudulent and manipulative acts and practices and maintains fair and orderly markets.

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

The Exchange believes that the proposed rule change will impose no 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 were solicited or received with respect to the proposed rule change.

III. 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, N.W., Washington, D.C. 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 Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-97-56 and should be submitted by December 15, 1997.

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁶ Specifically, the Commission believes the Exchange's proposal to eliminate the per se prohibition on headsets and other telephone technology is consistent with

Section 6(b)(5) of the Act.⁷ Approval of this rule change permits the CBOE to extend the use of established headset communications equipment to the OEX and equity trading areas.⁸ The Commission believes that the Exchange continues to have sufficient authority to regulate and restrict the use of communication devices on its floor under Exchange Rule 6.23 and the phone line approval process in the Exchange's Regulatory Circulars. The Commission also believes that the CBOE has adequately represented its ability to surveil the use of headset communications equipment.

The Commission nonetheless encourages the Exchange to consider the adoption of more comprehensive guidelines in the area of communications equipment approval. The current CBOE telephone policies rely upon the ability to: (1) Approve new telephone lines; and (2) restrict the use of communication devices on its floor, pursuant to Exchange Rule 6.23. This creates a potential loophole whereby a novel communications device could be brought on to the floor, without Exchange approval, if the device did not rely on a "telephone line" and had not been clearly restricted pursuant to Exchange Rule 6.23.

The Commission finds good cause for approving the proposed rule change, including Amendment No. 1, prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. This immediate impact of the proposal is to allow the CBOE's members to utilize headsets that are provided within the Exchange's new Ericsson wireless telephone system. As noted above, this system is currently in use in other trading crowds on the Exchange. Accelerated approval will allow the incorporation of this new technology on the OEX and equity trading posts without further delay. For the foregoing reasons, the Commission believes that granting accelerated approval to the proposed rule change is appropriate and consistent with Section 6 of the Act.⁹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (SR-CBOE-97-

⁷ U.S.C. 78f(b)(5).

⁸ Headsets are currently being used at the trading posts for options on the Standard & Poor's 500 Index ("SPX") and the Dow Jones Industrial 30 Index ("DJX") without any reported problems. Telephone conversation between Timothy Thompson, Senior Attorney, CBOE, and Mike Walinskis, Senior Special Counsel, Division of Market Regulation, SEC, on October 30, 1997.

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78s(b)(2).

⁵ 15 U.S.C. 78f(b)(5).

⁶ In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(b)(5).

56), including Amendment No. 1, is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-30721 Filed 11-21-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39332; File No. SR-PHLX-97-52]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Options Trading Rotations

November 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on October 23, 1997, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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

Pursuant to Rule 19b-4 of the Act, the PHLX proposes to amend PHLX Rule 1047, "Trading Rotations, Halts and Suspensions," to (1) Emphasize that opening rotations are conducted daily; (2) replace references to "the Exchange" with references to "two Floor Officials and a Market Regulation officer" throughout PHLX Rule 1047; (3) delete references in PHLX Rule 1047, Commentary .01 (a) and (d) to puts and calls trading on the same security; (4) define modified, reverse and shotgun rotations in PHLX Rule 1047, Commentary .01(b); (5) require reverse rotations where there is a heavy influx of orders, unless exempted by two Floor Officials with the concurrence of a PHLX Market Regulation officer; (6) require that two Floor Officials, with the concurrence of a PHLX Market Regulation officer, approve second and subsequent rotations; (7) provide that, with the approval of two Floor Officials and the concurrence of a PHLX Market Regulation officer, modified rotations

(other than a reverse or shotgun rotation) can be employed where there is a delayed opening, halt or suspension in trading or other unusual market conditions; and (8) regarding closing rotations at expiration, add "or at an earlier time, with the concurrence of a Market Regulation officer," to allow the closing rotation at expiration to begin other than after the option normally ceases trading (4:02 p.m.).

The PHLX proposes to make comparable changes to PHLX Rule 1047A, "Trading Rotations, Halts or Reopenings," regarding index options, and to Floor Procedure Advice ("Advice") G-2, "Trading Rotations, Halts or Reopenings."¹ Because PHLX Rule 1047A(b) refers directly to PHLX Rule 1047, Commentary .01,² most of the above-described amendments will apply to index options trading. For PHLX Rule 1047A(a)(ii), (c), (d), and (f), and for the corresponding paragraphs of Advice G-2, the PHLX proposes to replace references to "the Exchange" with references to "two Floor Officials and a Market Regulation officer." Under PHLX Rule 1047A(e), closing rotations for expiring index options are not required, nor are they prohibited.³

The text of the proposed rule change is available at the Office of the Secretary, PHLX, and at the Commission.

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹ Advice G-2 does not contain a fine schedule. Accordingly, the proposal does not affect the Exchange's minor rule violation enforcement and reporting plan.

² PHLX Rule 1047A(b) allows specialists to conduct a rotation in accordance with PHLX Rule 1047, Commentary .01 (b) and (c).

³ See also CBOE Rule 6.2, Interpretation .03 (closing rotation for expiring index options is not ordinarily employed).

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

PHLX Rule 1047 governs options trading rotations⁴ (including opening rotations), delayed openings, halts or suspensions in trading, reopenings and closing rotations. Trading rotations are intended to produce fair and orderly markets by fairly setting opening prices, taking into account orders and bids/offers on the book and in the trading crowd. The Exchange has considered the types of opening rotations that should be permitted or required in order to reduce the length of option openings, especially in unusual circumstances, and to prevent subsequent rotations. The purpose of the proposed rule change is to improve the efficiency of option openings. PHLX Rule 1047A is the corresponding rule governing index options trading.

First, the Exchange proposes to amend PHLX Rule 1047(a) to emphasize that opening rotations are conducted daily, as opposed to closing rotations, which are conducted only at expiration. This change is designed to clarify PHLX Rule 1047(a).

Second, the Exchange proposes to replace "the Exchange" with "two Floor Officials and a Market Regulation officer" throughout PHLX Rule 1047. This term originated in a comparable rule of the American Stock Exchange, but lacks specificity and does not reflect that, in reality, the approval of two Floor Officials is received. The Exchange believes that trading rotations present the types of issues and need for prompt determinations that are particularly suited for Floor Official approval.⁵ The purpose of adding an Exchange officer is to trigger proper notification of the approval and further encourage prompt openings. It should also enable Exchange staff to better monitor the conditions giving rise to rotation-related Floor Official approval.

Third, the Exchange proposes to delete references in PHLX Rule 1047, Commentary .01(a) and (d) to puts and calls trading on the same security. The purpose of this change is to recognize that almost without exception, both puts and calls trade respecting all Exchange options, such that the preface "if" is confusing. The remainder of Commentary .01(a) states that the

⁴ A trading rotation is a series of brief time periods during which bids, offers and transactions in only specified series can be made.

⁵ See Securities Exchange Act Release No. 35742 (May 19, 1995), 60 FR 28188 (May 30, 1995) (order approving File No. SR-CBOE-95-04) ("CBOE Approval Order").

¹¹ 17 CFR 200.30-3(a)(12).