

Stop orders, however, are treated differently than orders that are not price-triggered under the proposed rule change. Under the proposed rule change, specialists may disclose information about stop orders when the specialist judges that the member conducting the market probe has the intention to trade in the stock at a price at which such stop orders would be relevant. Orders other than stop orders may be disclosed without restriction in response to a member's probe. The Commission believes that because stop orders held on the book may be far away from the market the proposal's special treatment of top orders is reasonable. The Commission believes that it is reasonable that specialists only disclose stop order information when a member's market probe reasonably indicates an intention to trade at a price at which the stop orders would be relevant. This restriction should help safeguard against potential market manipulation and provide investors who place stop orders with a level of protection and confidence that Exchange members will not be permitted to obtain information regarding stop orders unless they have a legitimate market interest in that information.

The proposed rule change also alters the presumption for the non-disclosure of an investor's identity. Under the proposal, a specialist may disclose to a member the identity of any buyer or seller on the Book, unless the buyer or seller expressly requests that his or her investment anonymity be maintained at all times or with respect to a specific order. The Commission believes that this provision strikes a reasonable balance between the public interest in the broad dissemination of market information and the private interest of a specific investor to have his or her identity withheld from the public for legitimate and strategic investment purposes.

The Commission finds good cause to approve Amendment No. 2 to the proposed rule change prior to the thirtieth day after the date of publication of notice filing of the amendment in the **Federal Register**. Specifically, Amendment No. 2 withdraws from the proposed rule change the provision that appeared in the proposal as originally filed which would have permitted specialists to disclose information about orders, but not stop orders, to listed companies. Both comment letters received by the Commission raised concerns that the proposal would allow direct specialist-issuer contact, but did not provide for similar specialist access for other non-

member market participants.²³ The Commission believes that by withdrawing the issuer-specialist contact provision the Exchange has helped to ensure that the proposal complies with Section 6(b)(5) of the Act²⁴ which prohibits exchange rules from unfairly discriminating between customers, issuers, brokers or dealers. Accordingly, the Commission believes that there is good cause, consistent with Sections 6(b)(5) and 19(b) of the Act,²⁵ to approve Amendment No. 2 to the proposal on an accelerated basis.

V. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 2, including whether Amendment No. 2 is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-98-10 and should be submitted by June 21, 1999.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁶ that the proposed rule change (SR-NYSE-98-10), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁷

Jonathan G. Katz,
Secretary.

[FR Doc. 99-13466 Filed 5-26-99; 8:45 am]

BILLING CODE 8010-01-M

²³ See note 8, *supra*.

²⁴ 15 U.S.C. 78f(b)(5).

²⁵ 15 U.S.C. 78f(b)(5) and 78s(b).

²⁶ 15 U.S.C. 78s(b)(2).

²⁷ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41430; File No. SR-PCX-99-12]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Amending PCX Rule 15—"PCX Application of the OptiMark System"

May 20, 1999.

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 April 22, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Exchange is proposing to adopt a stated policy and practice with respect to the meaning and administration of Rule 15 of the Exchange's Board of Governors—"PCX Application of the OptiMark System." The Exchange's proposed policy and practice clarifies the meaning and administration of the PCX Application of the OptiMark System ("PCX Application") and makes a few technical amendments to Rule 15.

The text of the proposed rule change is available at the PCX 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 Exchange 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 Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

1. Purpose

Background. The PCX Application is a new, computerized, screen-based trading service intended for use by Exchange members and their customers ("Users").³ As described in the Approval Order, it provides automatic order formulation, matching, and execution capabilities in the equity securities listed or traded on the Exchange ("PCX Securities"). The PCX Application is intended to be used in addition to the Exchange's traditional floor facilities by allowing Users to submit expressions of trading interest known as "Profiles" anonymously from their computer terminals.

Method of Operation. As stated in the Approval Order, the PCX Application consists of two distinct system operations: (1) The central information processing system and related administrative and communications terminal network of the OptiMark System, which includes computers that collect and process data, log activities, and switch messages from and to other systems and carriers, as well as the communications network linking such computers with customer terminals; and (2) the computer hardware and software needed (collectively, the "PCX Interfaces") for the OptiMark System to communicate with PCX's computerized order system and other facilities to permit execution and reporting.

The Exchange has direct ownership and control over the PCX Interfaces. The OptiMark System is operated on a non-exclusive basis by OptiMark Services, Inc. ("OSI"), a wholly-owned subsidiary of OptiMark Technologies, Inc. ("OTT"). The OptiMark System has been developed by OTI and OTI is licensing the OptiMark System to OSI for purposes of the PCX Application. OSI is responsible for day-to-day operation and maintenance of the OptiMark System. The primary site of the OptiMark System, which houses the computer software and hardware complex that conducts the central processing of Profiles on a periodic basis, is located in Toronto.

Users located off the Exchange trading floors log onto the OptiMark System from their own computer terminals and communicate with the OptiMark System over any customary information services

and network of their choice. OSI, in its capacity as a facility operator for the PCX Application, provides telecommunications access support (either directly to such Users or to third party network vendors servicing such Users), enabling the Users to enter Profiles into the OptiMark system and receive the reports of any resulting trades from their own computer terminals. The computerized data entry system located at any such User site linked to the OptiMark System is not a part of the PCX Application.

Users located on the Exchange trading floors must obtain access to the OptiMark System from designated terminal locations approved by the Exchange. PCX Specialist are provided with a uniquely designed electronic interface through the P/COAST terminals located at their posts to facilitate representation of their limit order book interest in the OptiMark System. The P/COAST terminal interface is a part of the PCX Interfaces and a part of the PCX Application. As for the PCX floor brokers, they are expected to use existing proprietary terminals from the member firm booths located on the trading floors to communicate with the OptiMark System. The proprietary computerized terminal system located at any such member firm booth—while maintained with the Exchange's consent—is not part of the PCX Interfaces and not a part of the PCX Application.

The Exchange will assure that, at all relevant times, the PCX Application complies fully with the applicable rules of the Exchange, including adherence to the Exchange's system integrity and capacity standards. The system operations of both the PCX Interfaces and the OptiMark System will be monitored on an ongoing basis under the Exchange's inspection, surveillance and compliance programs. In this regard, the PCX notes that both the PCX Interfaces and the OptiMark System have been reviewed pursuant to the Commission's automation oversight program and the Exchange's internal audit and control procedures in accordance with the Automation Review Policy ("ARP") policy statements.⁴

Exchange members that are Users or Designated Brokers as defined in PCX Rule 15.1 will be assessed transaction charges for the use of the new trading service, as set forth in the Schedule of Fees and Charges for Exchange Services

and filed with the Commission. These charges are, in part, derive from a processing fee that the Exchange will pay to OSI, for OSI's services as an exchange facility manager responsible for operating portions of the PCX Application and delivering the trading service to Exchange members and their customers.⁵ There are no transaction fees payable directly by Users or Designated Brokers to OSI related to the PCX Application.

The Exchange also proposed to make a few technical amendments to Rule 15 to correct typographical errors and obsolete references.

2. Statutory Basis

The proposed rule change is consistent with the provisions of Section 6(b)(5)⁶ of the Act, in that PCX Application is a facility that is designed to promote just and equitable principles of trade and protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. In addition, the PCX believes that the proposed rule change is consistent with the provisions of Section 11A(a)(1)(B)⁷ of the Act, which states that new data processing and communications techniques create the opportunity for more efficient and effective market operations.⁸

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

According to the PCX, the foregoing rule change constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Exchange and therefore, has become effective pursuant to Section

³ For a detailed description of the PCX Application, see Securities Exchange Act Release No. 39086 (Sep. 17, 1997), 62 FR 50036 (Sep. 24, 1997) ("Approval Order").

⁴ See Securities Exchange Act Release No. 29185 (May 9, 1991), 56 FR 22490 (May 15, 1991) (ARP II); Securities Exchange Act Release No. 27445 (Nov. 16, 1989), 54 FR 48703 (Nov. 24, 1989) (ARP I).

⁵ See Securities Exchange Act Release No. 40442 (Sep. 16, 1998), 63 FR 50951 (Sep. 23, 1998).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78K-1(a)(1)(B).

⁸ In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

19(b)(3)(A)(i) of the Act⁹ and subparagraph (f)(1) of Rule 19b-4 thereunder.¹⁰ At any time within 60 days of the filing of the proposed 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, 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, N.W., Washington, D.C. 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-PCX-99-12 and should be submitted by June 17, 1999.

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

[FR Doc. 99-13468 Filed 5-26-99; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

In compliance with Public Law 104-13, the Paperwork Reduction Act of

1995, the Social Security Administration (SSA) is providing notice of its information collections that require submission to the Office of Management and Budget (OMB). 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.

I. The information collections listed below will be submitted to OMB within 60 days from the date of this notice. Therefore, comments and recommendations regarding the information collections would be most useful if received by the Agency within 60 days from the date of this publication. Comments should be directed to the SSA Reports Clearance Officer at the address listed at the end of this publication. You can obtain a copy of the collection instruments by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him at the address listed at the end of this publication.

1. Request for Information—0960-NEW. The information collected on this form will be used by SSA's Office of the Inspector General (OIG) to conduct periodic eligibility reviews of beneficiaries residing in foreign countries. The form is designed to replace the current time-consuming and expensive method of conducting these reviews by selecting sample cases and conducting in person interviews. The form will permit OIG to review all beneficiary residents of the foreign country under study, thereby narrowing the scope of the beneficiaries requiring in person visits to those who do not respond or to those who provide questionable evidence. The respondents are Social Security beneficiaries residing in foreign countries.

Number of Respondents: 900.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.

Estimated Annual Burden: 450 hours.

2. Application for Parent's Insurance Benefits—0960-0012. The information

collected on form SSA-7 is used by the Social Security Administration to determine entitlement of an individual to parent's insurance benefits. The respondents are parents who were dependents on the worker for at least one-half of their support.

Number of Respondents: 1,400.

Frequency of Response: 1.

Average Burden Per Response: 15 minutes.

Estimated Annual Burden: 350 hours.

3. 0960-NEW. State Partnership Initiative (SPI) Cooperative Agreements. Executive Order 13078 dated March 13, 1998, Increasing Employment of Adults With Disabilities, orders that a National Task Force be established to create a coordinated and aggressive national policy to bring adults with disabilities into gainful employment at a rate that is as close as possible to that of the general adult population. E.O. 13078 specifies that the Task Force "evaluate and, where appropriate, coordinate and collaborate on, research and demonstration priorities of Task Force member agencies related to employment of adults with disabilities."

To comply with the EO, SSA released cooperative agreement announcements in 1998 to approximately 650 State agencies nationwide to conduct demonstration projects that assist States in developing service delivery models that increase the rates of gainful employment of people with disabilities. Eighteen State agencies have been selected to participate in the demonstration projects.

SSA has employed a monitoring and technical assistance contractor to collect information from the State awardees' databases on behalf of SSA. The Contractor will use the information to evaluate whether and to what extent the service delivery models achieve the overall goals of the demonstration projects and will report project results to SSA. SSA will use the results to conduct a net outcome evaluation to determine the long-term effectiveness of the interventions.

Following is a table that outlines the public reporting burden of the 18 State agencies for this project:

Title of collection	Number of annual responses	Frequency of response	Average burden per response	Estimated annual burden (hours)
Demonstration Site Form	16 (electronic)	One Time	1 minute3
	2 (manual)	One Time	1 minute1
Participant Demographic Data Form	3,080 (electronic)	One Time	15 minutes	770
	300 (manual)	One Time	20 minutes	100

⁹ 15 U.S.C. 78s(b)(3)(A)(i).

¹⁰ 17 CFR 240.19b-4(f)(1).

¹¹ 17 CFR 200.30-3(a)(12).