

upon whether there are significant changes in entitlements and stock purchases, the Board of the Holding Company will be permitted to schedule reallocations every other year or every third year rather than annually.

- The owners of Holding Company common stock will be able to exercise cumulative voting in the election of Holding Company directors.

Each year the Holding Company's Board of Directors will appoint a nominating committee that may include both members and non-members of the Board. After soliciting suggestions from all users of the clearing agencies of possible nominees to fill vacancies on the Board, the nominating committee will recommend a slate of nominees to the full Board. The Board may make changes in that slate before submitting nominations to the holders of Holding Company common stock for election. The election ballot included in the proxy materials will provide an opportunity for stockholders to vote for a person not listed as a nominee. Because the Basic Documents provide for cumulative voting, it will be possible for one or more owners of Holding Company common stock to arrange to elect a person not on the slate nominated for election by the Board.

NSCC and DTC will continue to operate as they do currently, and each will offer its own services to its own participants and members pursuant to separate legal arrangements and separate risk management procedures. NSCC has informed the Commission that the Holding Company will not engage in any clearing agency activities but that it will provide certain support functions, including human resources, finance, audit, general administration, corporate communications, and legal, which support functions will be centralized in the Holding Company, to NSCC and DTC pursuant to service contracts.

II. Discussion

Section 17A(b)(3)(C) of the Act⁶ requires that the rules of a clearing agency assure a fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs. The Commission believes that the proposed rule change is consistent with NSCC's obligations under Section 17A(b)(3)(C) because it should provide NSCC's members with a reasonable opportunity to acquire common stock in the Holding Company in proportion to their use of NSCC and DTC and should provide NSCC's members through their

holding of Holding Company stock with adequate and fair representation in the selection of NSCC's directors and in the administration of NSCC's affairs.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. Approving prior to the thirtieth day after publication of notice will allow NSCC to proceed with the exchange offer to its shareholders in which the shareholders may exchange their shares in NSCC for preferred stock in the Holding Company.

III. Conclusion

On the basis of the foregoing, the Commission finds that NSCC's proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-99-10) be and hereby is approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-23112 Filed 9-3-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41788; File No. SR-Phlx-99-29]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Mandatory Trading Floor Training Requirements

August 25, 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 August 5, 1999, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") 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 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 proposes to amend Phlx Rule 625, Options Trading Floor Training, to include equity floor members.³ The proposal will require all equity floor members and their respective personnel to complete mandatory training related to that employee's function on the trading floor. The Exchange proposes to adopt new Equity Floor Procedure Advice, F-30, Equity Trading Floor Training, and an accompanying fine schedule, such that a minor rule violation enforcement and reporting plan ("minor rule plan") citation could be issued.⁴ The text of amended Rule 625 and new Equity Floor Procedure Advice is presented below. Deleted text is brackets, and new text in italics.

F-30 EQUITY TRADING FLOOR TRAINING

All new equity floor members, whether specialists or floor brokers, and their respective personnel, shall successfully complete mandatory training related to that employee's function on the trading floor. All current members and their respective personnel shall be subject to continuing mandatory training requirements in order to instruct these individuals on changes in existing automated systems or any new technology that is utilized by the Exchange.

Failure to attend the scheduled mandatory training described above may result in the issuance of a fine in accordance with the fine schedule below.

Fine Schedule (Implemented on a three year running calendar basis)

F-30

<i>1st Occurrence</i>	<i>\$250.00</i>
<i>2nd Occurrence</i>	<i>\$350.00</i>
<i>3rd Occurrence</i>	<i>\$500.00</i>

³ On March 22, 1999, the Commission approved a similar proposal with respect to equity option and index option floor members. See Securities Exchange Act Release No. 41201 (March 22, 1999) 64 FR 15391 (March 31, 1999) (SR-Phlx-99-06).

⁴ The Phlx's minor rule plan, codified in Phlx Rule 970, contains floor procedure advices with accompanying fine schedules. Rule 19d-1(c)(2) authorizes national securities exchanges to adopt minor rule violation plans for summary discipline and abbreviated reporting; Rule 19d-1(c)(1) requires prompt filing with the Commission of any final disciplinary actions. However, minor rule violations not exceeding \$2,500 are deemed not final, thereby permitting periodic, as opposed to immediate, reporting.

⁶ 15 U.S.C. 78q-1(b)(3)(C).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

4th Occurrence Sanction is discretionary with Business Conduct Committee

Rule 625 [Options] Trading Floor Training

All new *equity*, equity option and index option floor members, whether specialists, floor brokers or Registered Options Traders, and their respective personnel, shall successfully complete mandatory training related to that employee's function on the trading floor. All current members and their respective personnel shall be subject to continuing mandatory training requirements in order to instruct these individuals on changes in existing automated systems or any new technology that is utilized by the Exchange.

II. Self-Regulatory Organization's Statement Regarding 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.

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

The purpose of the proposal is to require all new equity floor members, whether specialists or floor brokers, and their respective personnel, to attend mandatory training related to that employee's function on the trading floor. In addition, all current equity floor members and their respective personnel shall be subject to continuing training requirements. The Exchange believes that continued training requirements are necessary in order to instruct these individuals on changes in existing automated systems or new technology that is utilized by the Exchange. The Exchange intends to schedule and give notice of such training sessions, as it deems appropriate. In this way, the proposal should help to ensure that all members are familiar with new technology or changes in existing technology.

Technology advances are ever-changing. To benefit users and remain competitive, the Exchange believes it is imperative to implement technology

improvements and system enhancements. Moreover, these improvements and enhancements often provide for more efficient and quicker dissemination of information to the markets, thereby allowing investors to receive information on a more timely basis. Furthermore, technology improvements and system enhancements generally reduce the risk of clerical error. Therefore, the Exchange believes that mandated training will help to ensure that Exchange members and their respective personnel are proficient in using new technology, which should help to promote a more efficient trading environment.

Additionally, the mandated training requirement would be incorporated as an Equity Floor Procedure Advice, such that a minor rule plan citation could be issued.⁵ The minor rule plan will enable the Exchange to quickly sanction members for non-compliance.⁶ Under Phlx Rule 625, if an Exchange member has not participated in mandatory or continuing training requirements, a fine can be issued immediately. The Phlx believes the issuance of a fine will help to alleviate situations where failure to participate in mandatory training is a recurring problem, because violations by a member organization will result in escalating fines, and, eventually, possible disciplinary action by the Exchange's Business Conduct Committee ("BCC"). For failure to attend an Exchange mandated training class, the Exchange proposes a fine of (i) \$250 for a first offense; (ii) \$350 for a second offense; and (iii) \$500 for a third offense. The sanction is discretionary with the BCC for a fourth offense. The Exchange believes that this type of violation is appropriate for the minor rule plan because it is objective and, thus violations are readily subject to verification.

For these reasons, the Exchange believes that the proposal is consistent with Section 6 of the Act,⁷ in general, and with Section 6(b)(5),⁸ in particular, in that it is designed to facilitate

⁵ The Phlx also proposes to amend its minor rule plan to include the new advice.

⁶ The Fine Schedule allows for a fine to be implemented on a three-year running calendar basis. The term "three-year running calendar basis" means that the Exchange will impose sanctions on a three-year running cycle, by which a violation of the training requirements which occurs within three years of the first violation of the training requirements, will be treated as a second occurrence, and any subsequent violation within three years of the previous violation of the training requirements will be subject to the next highest sanction specified in the Fine Schedule.

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(5).

transactions in securities and to promote just and equitable principles of trade. Specifically, the Exchange believes that the proposal will promote a more efficient trading environment by (i) educating personnel regarding the use of improved technology and system enhancements; (ii) providing for quicker dissemination of information because the Exchange can train personnel as soon as changes are made; and (iii) lessening the risk of clerical errors. Moreover, mandatory training for equity floor members and their respective personnel is consistent with the provisions of Section 6(c)(3)(B) of the Act,⁹ which makes it the responsibility of an exchange to prescribe standards of training, experience, and competence for persons associated with self-regulatory organization members. In addition, the Exchange believes the proposal is consistent with the Securities Industry Continuing Education Program, which seeks to promote the protection of investors through periodic training of securities professionals.

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

The Exchange does not believe that the proposed rule 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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date on which it was filed and the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6)¹¹ thereunder. 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

⁹ 15 U.S.C. 78f(c)(3)(B).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

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, 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 will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-99-29 and should be submitted by September 28, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-23106 Filed 9-3-99; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activity Under OMB Review

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for extension of currently approved collections. The IRC describes the nature of the information collection and its expected burden. The **Federal Register** Notice with a 60-day comment

period soliciting comments on the following collection of information was published on June 1, 1999 (64 FR 29401-29405).

DATES: Comments must be submitted on or before October 7, 1999. A comment to OMB is most effective if OMB receives it within 30 days of publication.

FOR FURTHER INFORMATION CONTACT: Judy Street on (202) 267-9895.

SUPPLEMENTARY INFORMATION:

Federal Aviation Administration (FAA)

Title: Antidrug Program for Personnel Engaged in Specified Aviation Activities.

Type of Request: Extension of a currently approved collection.

OMB Control Number: 2120-0535.

Form(s): FAA Form 9000-2.

Affected Public: An estimated 6,700 specified aviation employers.

Abstract: 14 CFR part 121, appendix I and J, requires specified aviation employers to implement and conduct FAA-approved antidrug programs. The FAA receives drug test reports from the aviation industry to monitor program compliance, institute program improvements, and anticipate program problem areas.

Estimated Burden Hours: 38,679 burden hours annually.

ADDRESSES: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW, Washington, DC 20503, Attention: FAA Desk Officer.

Comments Are Invited On:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

Issued in Washington, DC, on August 31, 1999.

Steve Hopkins,

Manager, Standards and Information Division, APF-100.

[FR Doc. 99-23202 Filed 9-3-99; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activity Under OMB Review

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for extension of currently approved collections. The ICR describes the nature of the information collection and its expected burden. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on June 1, 1999, 64 FR 29404-29405).

DATES: Comments must be submitted on or before October 7, 1999. A comment to OMB is most effective if OMB receives it within 30 days of publication.

FOR FURTHER INFORMATION CONTACT: Judy Street on (202) 267-9895.

SUPPLEMENTARY INFORMATION:

Federal Aviation Administration (FAA)

Title: Operating Procedures for Airport Traffic Control Towers (ATCT) that are not operated by or under contract with the United States (non-Federal) AC90-93.

Type of Request: Extension of a currently approved collection.

OMB Control Number: 2120-0572.

Form(s): FAA Forms 7210-2; 7210-3; 7230-4; 7230-7.2; 7230-8; 7230-10; 8020-9; 8020-11; 8020-17; 8020-19; 8020-21.

Affected Public: An estimated 44 Non Federal Airport Traffic Control Towers (ATCT)

Abstract: The intent of the Advisory Circular (AC) and this collection of information is to maintain a high level of air safety without regulating certain entities that previously were not regulated. With this rationale in mind, the FAA is requesting operators for non-Federal ATCT to voluntarily comply with the regulations as stated in this AC, as well as to voluntarily submit information by using the listed forms, in the same manner as is currently prescribed for FAA air traffic personnel.

Estimated Annual Burden Hours: 1606 hours annually.

ADDRESSES: Send comments to the Office of Information and Regulatory

¹² 17 CFR 200.30-3(a)(12).