

2006.15 will apply to comments received. Comments must be in English and provided in fifteen copies. Pursuant to 15 CFR § 2006.15, confidential business information must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page.

Pursuant to section 127(e) of the URAA, USTR will maintain a public file on this dispute settlement proceeding, which will include a list of comments received, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, N.W., Washington DC 20508. An appointment to review the docket (Docket WTO/D-3, "United States—EC: EC Banana Regime"), may be made by calling Brenda Webb, (202) 395-6186. The USTR Reading Room is open to the public from 10 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday. Jennifer Hillman,
General Counsel.

[FR Doc. 96-10168 Filed 4-24-96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26508]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

April 19, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 13, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing,

if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

SEI Holdings, Inc. (70-8823)

SEI Holdings, Inc. ("Holdings"), 900 Ashwood Parkway, Suite No. 500, Atlanta, Georgia, 30338, a wholly-owned non-utility subsidiary of The Southern Company ("Southern"), a registered holding company, has filed an application pursuant to sections 9(a) and 10 of the Act and rule 54 thereunder.

By order dated February 2, 1996 (HCAR No. 26468) ("Order"), Holdings was authorized, through December 31, 2000, to acquire directly, or indirectly through one or more other subsidiaries ("Intermediate Subsidiaries"), the securities of or other interests in one or more energy-related businesses or facilities ("Energy-Related Companies"). The Energy-Related Companies could include companies that derive substantially all of their revenues from brokering or marketing of electric power, provided that the purchaser or seller, or both the purchaser and seller, were located within the Southeastern Electric Reliability Council ("SERC").¹

Holdings now requests that the Commission eliminate the restriction imposed under the Order on the geographic region in which such marketing and brokering activities may be conducted. Holdings also requests that the Commission expand the terms of the Order to allow Holdings, through one or more Energy-Related Companies ("Marketing Subsidiaries"), to broker or market other forms of energy commodities, in addition to electric power, to include, without limitation, natural gas, oil and coal, and to provide related services to customers. No other modification to the Order is requested.

In particular, Holdings proposes to engage in wholesale electric power marketing on a national scale. Holdings also proposes to provide related "value added" services to customers, such as fuel management, storage and

¹ As a practical matter, the ability of Holdings to compete, through Energy-Related Companies in wholesale electric power markets in the Southern system's franchised service territories is limited by the Codes of Conduct submitted to the Federal Energy Regulatory Commission ("FERC") in connection with the market-based wholesale rate application filed by Southern Energy Marketing, Inc. ("Southern Energy"), a subsidiary of Holdings and an exempt wholesale generator. In addition, under current FERC interpretations of section 32 of the Act, Southern Energy cannot engage in fuel marketing or in other expanded fuel-related activities.

procurement services. Although the Marketing Subsidiaries might acquire physical assets that are necessary and appropriate to the conduct of such business, such as oil and storage facilities, gas reserves, gas pipeline facilities and coal, Holdings represents that no Marketing Subsidiary will acquire any assets if, as a result thereof, it would be or become an "electric utility company" or a "gas utility company" under the Act.

The Marketing Subsidiaries would engage in various types of marketing activities. These activities would include (i) electric power and/or fuel arbitrage transactions, which involve simple exchanges of fuel for electric power; (ii) dispatch control of energy assets, which involves fixed-price electric power in exchange for dispatch control of electric power generation facilities; (iii) sales of options on capacity or energy; and (iv) national energy supply agreements, which involve retail sales to large energy consumers, with facilities in many different locations, that wish to "outsource" all of their energy needs to achieve volume discounts and to eliminate the high cost of separate procurement programs.

Holdings proposes that the Marketing Subsidiaries be authorized to engage in such activities without regard to location or identity of customers provided that the customers exclude the electric public utilities within the Southern system and Southern Company Services, Inc., a subsidiary service company of Southern. Holdings also states that the Marketing Subsidiaries will not sell electric power at retail unless such sale is approved or allowed under applicable state law.

All activities, to include the fuel-for-energy and energy commodity brokering and marketing activities, will generally be carried on by personnel employed by Southern Electric International, Inc., a wholly-owned subsidiary of Holdings. Those personnel are already experienced in the day-to-day electric power marketing activities of Southern Energy and fuel procurement activities of associate independent power projects owned by Holdings.

It is anticipated that in the normal course of business the Marketing Subsidiaries would take appropriate measures to hedge the risk associated with electric power and fuel purchase or sales contracts. Such measures could include matches between long-term firm or variable price electric power sales contracts and long-term firm or variable price fuel purchase contracts. The Marketing Subsidiaries might also hedge fuel price risk through the

purchase of fuel or fuel reserves or options on fuel reserves.

In addition, the Marketing Subsidiaries might use available hedging tools, such as gas futures contracts and options on gas futures, similar to those traded on the New York Mercantile Exchange, and gas and oil price swap agreements and other, primarily commodity based, derivative instruments. Holdings represents that the Marketing Subsidiaries will not deal in derivative products for purposes of speculative trading.

Holdings might also offset price risk exposure under a purchase or sales contract through an opposite position to that purchase or sale. Similarly, in a portfolio of purchase and sales contracts, risk could also be limited through an appropriate mix of long-term and short-term contracts.

Ultimately, the Marketing Subsidiaries will seek to manage a "book" of various energy contracts involving purchases, sales and trades of oil, gas and electric power. The Marketing Subsidiaries will seek to hedge the risk associated with these contracts through a combination of physical assets, balanced physical purchases and sales, purchases and sales on futures markets, or other derivative risk management tools.

The aggregate investment made by Southern to finance the investments of Holdings in the Marketing Subsidiaries will be subject to all of the limitations applicable to investments in Energy-Related Companies imposed by the Order. Similarly, Holdings anticipates that guarantees of performance by the Marketing Subsidiaries could be required from time to time. Holdings will count the amount of such guarantees against the overall limitation set forth in the Order to the extent that the guarantees are directly or indirectly made by Southern itself.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,
Secretary.

[FR Doc. 96-10242 Filed 4-24-96; 8:45 am]

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[Release No. 34-37131; File No. SR-NASD-96-08]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Quotation of Direct Participation Programs in the OTC Bulletin Board® Service

April 19, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 12, 1996, the National Association of Securities Dealers Inc. ("NASD" or "Association") 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 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

The NASD is herewith filing a proposed rule change to permit the quotation of Direct Participation Programs ("DPPs") in the OTC Bulletin Board Service ("OTCBB" or "OTC Bulletin Board") and to require the reporting of transactions in DPPs through the Automated Confirmation Service ("ACT"). The text of the proposed rule change is available at the NASD and at the Commission.²

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 NASD 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 NASD 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 increase transparency and provide for more efficient price discovery in the secondary market for limited partnerships, also known as DPPs, by permitting these securities to be quoted in the OTC Bulletin Board and requiring transactions in DPPs to be reported through ACT.

a. Background

In 1990, at the direction of the NASD's Direct Participation Programs Committee ("Committee"), the staff undertook a study of the nature and functioning of the secondary market for limited partnership securities. Data gathered and interviews conducted during the study revealed that approximately \$90 billion was invested in public direct participation programs. The programs were organized to invest in a variety of industries including, but not limited to, real estate, oil and gas, cable television, commodities, and equipment leasing. Although these securities were not intended to be liquid and tradeable, the NASD estimated at that time that approximately two dozen participants act as principal or agent for customers in a fragmented secondary market that in the aggregate transfers ownership of an estimated \$250 to \$300 million worth of limited partnership securities annually. The NASD noted that the majority of transactions that occur in the market are necessitated by triggering events that force the sale of the partnership unit upon the limited partner. Such events include estate sales by trustees due to the death of a limited partner, liquidation of IRA accounts, divorce, and unexpected or extraordinary expenses such as major medical or post-secondary education. Thus, the inefficiencies of the fragmented market tend to disproportionately impact investors who need liquidity, rather than investors who are merely seeking liquidity.

In response to the developing secondary market, the NASD has directed its regulatory focus to ensuring that NASD members active in the market comply with NASD rules, federal securities laws and state laws relating to advertising and sales literature, suitability and recommendations to customers, solicitation and tender offers, prospectus disclosure, transactions with non-members, net capital, and escrow.

¹ 15 U.S.C. 78s(b)(1).

² Pursuant to a new rule numbering system for the NSDA Manual anticipated to be effective no later than May 1, 1996, the rules that are the subject of this proposed rule change will become Rules 6530, 6540, and 6550 (regarding the OTC Bulletin Board Rules); Rule 6100 (regarding the Automated Confirmation Transaction Service); and new Rule 6900 series (regarding transaction reporting for DPPs). See Securities Exchange Act Release No. 36698 (Jan. 11, 1996), 61 FR 1419 (approving new NASD rule numbering system).