

business required the above changes and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

Dated: July 9, 1996.

Jonathan G. Katz,
Secretary.

[FR Doc. 96-17935 Filed 7-10-96; 8:45 am]

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[Release No. 34-37406; File No. SR-Amex-96-17]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange, Inc. Relating to the Closing of Equity Option Trading at 4:00 p.m.

July 3, 1996.

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 May 20, 1996, the American Stock Exchange, Inc. ("Amex" 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 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 Amex proposes to amend Rules 1 and 918 to provide for the closing of equity option trading at 4:00 p.m.

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

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

1. Purpose

Since 1978, equity options have traded until 4:10 p.m., ten minutes beyond the close of trading of the underlying securities to allow investors to trade options based upon the final closing prices of those underlying securities.¹ In 1978, frequent delays between the time of the execution of the closing transaction and the appearance of the trade on the Consolidated Tape Association's Tape A gave rise to time lags that, in some instances, were as long as seven minutes after the close of trading at 4:00 p.m. Today, due to improvements in trading and reporting systems, the dissemination of closing prices is delayed, at most, one or two minutes and only in unusual market conditions are any significant time lags encountered. Another reason cited in 1978 for extending equity options trading until 4:10 p.m. was to give options participants additional time to digest the impact of news announcements by companies and government agencies who oftentimes released such news at 4:00 p.m. or shortly thereafter.²

While the Exchange expressed reservations regarding the move to a later close, the Amex ultimately acceded to the industry's consensus that a 4:10 p.m. close was appropriate. Although the Exchange has made efforts to encourage companies and others to

withhold significant news announcements until after the close of options trading, occasionally, such announcements are released between 4:00 and 4:10 p.m. which dramatically impact the trading of options. When such instances occur, the Exchange has observed that public customers are unable to react as quickly as professional traders and accordingly lack the ability to give their brokers instructions or take action with regard to orders that may have been previously placed on the limit order book. Further, because the principal market for the underlying stock is closed, option specialists and marketmakers have oftentimes experienced extreme difficulty making orderly options markets given their inability to hedge or otherwise offset market risk with transactions in the underlying stock.

Therefore, the Exchange now proposes that effective at 4:00 p.m. (1) all trading in equity options will cease; (2) all automated order routing and execution systems will be turned off; (3) no orders will be permitted to be entered on the trading floor; and (4) a closing rotation³ will be held (a) immediately after the close of trading for options whose underlying stocks are traded through the facilities of the National Association of Securities Dealers Automated Quotation System (Nasdaq); or (b) for options whose underlying stocks trade on either the New York Stock Exchange or the Amex, immediately after the last sale in the security has been disseminated. No orders may be entered, modified or canceled in any option series after 4:00 p.m., except on expiration Friday⁴ in expiring option series when orders may be entered, modified or canceled until the commencement of the closing rotation in such series.⁵

The Exchange believes a return to 4:00 p.m. closing time for equity options is necessary and appropriate given the improvements in dissemination of closing prices and the limited ability of public customers to react to news announcements and changing markets in the last ten minutes of trading. Such

¹ The extension of the trading hours for options by ten minutes until 4:10 p.m. (E.S.T.) by the American Stock Exchange ("Amex"), the Chicago Board Options Exchange, Incorporated ("CBOE"), the Midwest Stock Exchange, Incorporated ("MSE") (now known as the Chicago Stock Exchange, Inc. ("CHX")), Pacific Stock Exchange Incorporated ("PSE"), and the Philadelphia Stock Exchange, Inc. ("PHLX") (collectively referred to as the "options exchanges") was initially approved by the Commission on a trial basis for a four month period beginning on Oct. 23, 1978 and extending through Feb. 28, 1979. Securities Exchange Release No. 15241 (Oct. 18, 1978), 43 FR 49867 (Oct. 25, 1978) (order approving File Nos. SR-Amex-78-22, SR-CBOE-78-30, SR-MSE-78-26, SR-PSE-78-17, and SR-PHLX-78-18). The Commission approved the continued use by the options exchanges of the existing 4:10 p.m. (E.S.T.) closing time for standardized options trading through Apr. 28, 1979. Securities Exchange Act Release No. 15593 (Feb. 28, 1979), 44 FR 12525 (Mar. 7, 1979) (order approving File Nos. SR-Amex-79-3, SR-CBOE-79-1, SR-MSE-79-7, SR-PSE-79-1, and SR-PHLX-79-1). The Commission has since then approved on a permanent basis the closing of options trading on the options exchanges at 4:10 p.m. (E.S.T.). Securities Exchange Act Release No. 15765 (Apr. 27, 1979), 44 FR 26819 (May 7, 1979) (order approving File Nos. SR-Amex-79-6, SR-CBOE-79-4, SR-MSE-79-11, SR-PSE-79-3, and SR-PHLX-79-4).

² See Release No. 15241, *supra* note 1.

³ A closing rotation is a trading procedure to determine appropriate closing prices or quotes for each series of options on an underlying stock.

⁴ The term "expiration Friday" refers to the trading day, usually the third Friday of the month, when various stock index futures, stock index options, and options on stock index futures expire or settle concurrently.

⁵ The Exchange also is proposing to amend Rule 1 to provide that closing transactions may be permitted after 4:00 p.m. where the Exchange has determined to permit such transactions pursuant to Rule 117. Securities Exchange Release No. 37146 (Apr. 26, 1996), 61 FR 19650 (May 2, 1996) (notice of File No. SR-Amex-96-13).

a change in trading hours, however, should not be implemented unless all options exchanges agree to similar procedures in order to limit confusion by preserving uniformity at the options exchanges especially in those classes that are multiply traded.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

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

No written comments were either solicited or received.

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

Within 35 days of the publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve the proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. 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 at the Commission's Public Reference Section, 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 Exchange. All submissions should refer to File No. SR-Amex-96-17 and should be submitted by August 2, 1996.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 96-17701 Filed 7-11-96; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice No. 2412]

Shipping Coordinating Committee; Subcommittee on Safety of Life at Sea and Associated Bodies Working Group on Stability and Load Lines and on Fishing Vessels Safety; Notice of Meeting

The Working Group on Stability and Load Lines and on Fishing Vessels Safety of the Subcommittee on Safety of Life at Sea will conduct an open meeting at 9 a.m. on Friday, August 2, 1996, in Room 6103, at U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC 20593-0001. This meeting will discuss the upcoming 40th Session of the Subcommittee on Stability and Load Lines and on Fishing Vessels Safety (SLF) and associated bodies of the International Maritime Organization (IMO) which will be held on September 2-6, 1996, at the IMO Headquarters in London, England.

Items of discussion will include the following:

- a. The role of human factors in marine casualties;
- b. Harmonization of probabilistic damage stability provisions for all ship types;
- c. Technical revisions to the 1996 Load Line Convention;
- d. Safety aspects of ballast water exchange.

Members of the public may attend this meeting up to the seating capacity of the room. Interested persons may seek information by writing: Mr. Paul Cojean or Mr. Jaideep Sirkar, U.S. Coast Guard Headquarters, Commandant (G-MMS-2), Room 1308, 2100 Second Street, SW., Washington, DC 20593-0001 or by calling: (202) 267-2988.

Dated: July 3, 1996.

Richard T. Miller,

Executive Secretary, Shipping Coordinating Committee.

[FR Doc. 96-17710 Filed 7-11-96; 8:45 am]

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[Public Notice 2414]

State Department Consultation With American Indian Tribal Leaders; Public Notice

The Department of State will hold consultations between U.S. Government officials and American Indian tribal leaders with regard to the ongoing negotiations in the United Nations of a Draft Declaration on Indigenous Rights. These initial consultations are scheduled for Tuesday, July 23, 1996, from 9:00 a.m. to 4:00 p.m. at the Department of State in Washington, D.C.

The U.N. Draft Declaration on Indigenous Rights in being elaborated by a Working Group of the U.N. Human Rights Commission in Geneva. The goal of the Working Group (which allows direct participation by tribal governments and other indigenous organizations) is to elaborate a Declaration on Indigenous Rights for consideration and adoption by the United Nations General Assembly during the International Decade of the World's Indigenous People (1994-2004). The "Draft United Nations Declaration on the Rights of Indigenous Peoples" is serving as the basis for negotiations at the Working Group.

The consultation with tribal leaders on July 23 is in preparation for the next session of the Working Group which is scheduled to take place in Geneva later this year. The consultations will be held in the Loy Henderson Auditorium, Department of State, 2201 C Street, N.W., Washington, D.C. Registration begins at 8:30 a.m. at the main entrance (C Street) of the State Department. The public is invited to attend the meetings.

Those interested in attending or seeking additional information should contact Tom Hushek (202-647-1042) or Alex Arriaga (202-647-1696) in the Bureau of Democracy, Human Rights, and Labor, at the State Department.

Dated: July 10, 1996.

John Shattuck,

Assistant Secretary, Bureau of Democracy, Human Rights, and Labor, Department of State.

[FR Doc. 96-17903 Filed 7-11-96; 8:45 am]

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