

(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 NW., Washington, DC 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 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 NSCC. All submissions should refer to File No. SR-NSCC-96-13 and should be submitted by September 9, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-21053 Filed 8-16-96; 8:45 am]

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[Release No. 34-37554; File Nos. SR-SCCP-96-03 and SR-Philadep-96-07]

#### **Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia and Philadelphia Depository Trust Company; Order Granting Temporary Approval of Proposed Rule Changes To Establish Separate Participant Categories for Inactive Accounts**

August 9, 1996.

On May 8, 1996, the Stock Clearing Corporation of Philadelphia ("SCCP") and the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") proposed rule changes (File Nos. SR-SCCP-96-03 and SR-Philadep-96-07) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposals were published in the Federal Register

on May 31, 1996.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule changes through December 31, 1996.

#### I. Description of the Proposals

SCCP and Philadep are establishing separate participant categories for inactive accounts and are amending their respective participants fund formulas with respect to such inactive accounts. Pursuant to the rule changes, SCCP and Philadep are defining in their rules "inactive account(s)" as an account in which a participant conducts de minimis activity, which will be established as twenty or fewer trades per month for SCCP participants and less than \$100 in monthly billing activities for Philadep participants. SCCP and Philadep propose to decrease the required contribution to the participants fund for inactive accounts from \$10,000 to \$5,000. SCCP and Philadep believe that inactive accounts pose virtually no risk to the clearing corporation or the depository as long as they remain inactive.

SCCP and Philadep have established procedures to detect a change in the status of a participant's account from inactive to active and to immediately collect additional required participants fund contributions at such time. Following the admission of a participant, SCCP and Philadep monitor participants' account activities to assure that the proper participants fund contribution is being collected.

With respect to inactive accounts, SCCP's and Philadep's Finance and Administration Departments will identify for SCCP and Philadep the specific accounts that are currently inactive. Thereafter, SCCP's Operations Department will monitor on a daily basis purchase and sale blotters for each inactive account. Trade activity detected from inactive accounts will be compiled on a separate report identifying cumulative activity in each inactive account during a monthly billing cycle.<sup>3</sup> In the event that activity in an inactive account exceeds ten trades but is fewer than twenty-one trades for a particular month, SCCP's Operations Department will immediately notify SCCP's Finance and Administrative Department and SCCP's compliance officer.

Similarly, Philadep's Operations Department will monitor daily deposit, transfer, and miscellaneous deliver

order ("MDO") activity of each inactive account. The Operations Department will generate a report that maintains a cumulative total of deposits, transfers, and MDOs occurring in each inactive account for each monthly billing cycle.<sup>4</sup> If the cumulative total exceeds forty transfers, deposits, and MDOs but is less than seventy-five for any inactive account in any given month, Philadep's Operations Department will immediately notify Philadep's Finance and Administration Department and Philadep's compliance officer.<sup>5</sup>

Once a SCCP or Philadep inactive participant exceeds the respective thresholds described above, the respective Finance and Administration Departments will verify the activity, immediately call the participant, and send a letter to the participant requesting that the participant wire additional funds to meet the new required participants fund contribution associated with an active account. In order for the participant to conduct further account activity, the required funds must be wired to SCCP or Philadep (depending on whether the inactive account is at SCCP or Philadep) by the next business day. If the participant does not wire the required participants fund contributions by the next business day, the participant's account will be suspended on the business day after the additional contribution was due to prevent any further activity in the account. A participant's failure to timely wire the required participants fund contributions also will subject the participant to a \$500 fine for the first offense and a \$2,000 fine for the second offense during a calendar year.<sup>6</sup>

When an inactive account becomes active, the account will be subject to the normal monthly review and update process, and the respective Finance and Administration Departments will recalculate each participant's required deposit using the applicable participants fund formulas.

#### II. Discussion

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing

<sup>4</sup> This report will be distributed on a daily basis to Philadep management and Philadep's compliance officer.

<sup>5</sup> The seventy-five transaction threshold serves as a reliable proxy to determine when a participant's account has incurred \$100 of billing activity. Pursuant to Philadep's fee schedule, the most expensive activity among deposits, transfers, and MDOs multiplied by 75 typically generates less than \$100 in monthly billings.

<sup>6</sup> An offense refers to the number of times that the account was suspended from conducting any further business for failure to furnish SCCP or Philadep with the required participants fund contribution.

<sup>6</sup> 17 CFR 200.30-3(a)(12) (1995).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> Securities Exchange Act Releases No. 37244 (May 24, 1996), 61 FR 27377 and 37245 (May 24, 1996), 61 FR 27379.

<sup>3</sup> This report will be distributed on a daily basis to SCCP management and SCCP's compliance officer.

agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>7</sup> The Commission believes the proposed rule changes are consistent with SCCP's and Philadep's obligations under Section 17A(b)(3)(F) because the proposals establish separate participant categories designed for participants that conduct limited activity while providing procedures that identify and monitor the activity in those participant accounts to assure that the activity remains limited.

On February 22, 1996, the Commission temporarily approved through August 31, 1996, portions of SCCP's and Philadep's proposed rule changes to implement their conversion to a same-day funds settlement system.<sup>8</sup> The Commission granted temporary approval to components of SCCP's and Philadep's proposed rule changes relating to their participants fund formulas because Commission staff was concerned about the adequacy of SCCP's and Philadep's participants fund formulas to provide a sufficient source of cash liquidity. The Commission continues to be concerned about the liquidity provided by SCCP's and Philadep's formulas and believes that lowering the required deposits on any category of participants may inhibit SCCP's and Philadep's ability to protect themselves and their participants from settlement failures and participant defaults.

In addition to establishing new categories and participants fund requirements for inactive participants, SCCP and Philadep are establishing new surveillance procedures to monitor inactive participants' accounts to ensure that inactive participants are not able to conduct levels of activity above the inactive account thresholds without depositing additional funds. Therefore, the Commission believes that it is appropriate to grant temporary approval of the proposals in order that the Commission, SCCP, and Philadep have the opportunity to review and monitor SCCP's and Philadep's administration of these new categories of participants and the effectiveness of the surveillance procedures established under these proposed rule changes before the proposal receives permanent approval. Therefore, the Commission is

temporarily approving the proposed rule change through December 31, 1996.

During the period of temporary approval, the Commission will continue to monitor and to analyze the adequacy of the participants fund formulas associated with inactive accounts. In this regard, the Commission requests that SCCP and Philadep submit on a monthly basis reports detailing the number of inactive participants, the value of their participants fund deposits, the total activity in each inactive account for the prior month, and the steps taken in the event that an inactive participant became active.

### III. Conclusion

On the basis of the foregoing the Commission finds that the proposals are consistent with the requirements of Section 17A(b)(3)(F) 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 changes (File Nos. SR-SCCP-96-03 and SR-Philadep-96-07) be, and hereby are, temporarily approved through December 31, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-21052 Filed 8-16-96; 8:45 am]

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## SOCIAL SECURITY ADMINISTRATION

### Agency Information Collection Activities: Submission for OMB Review; Comment Request

Normally on Fridays, the Social Security Administration publishes a list of information collection packages that have been submitted to the Office of Management and Budget (OMB) for clearance in compliance with P.L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. The information collection listed below, which was published in the Federal Register on June 14, 1996, has been submitted to OMB.

(Call Reports Clearance Officer on (410) 965-4125 for copies of package)

*OMB Desk Officer:* Laura Oliven.

*SSA Reports Clearance Officer:* Judith T. Hasche.

Customer Satisfaction Survey Questionnaires—0960-0521. The Social Security Administration will conduct surveys to measure the public's perception of the quality of SSA's

services, to determine public expectations and preferences for service delivery. The information collected on the survey forms (SSA-3299, SSA-4000, SSA-4298 and SSA-4299) will be used to identify areas of needed improvement and initiate corrective action. The respondents are beneficiaries entitled to old age, survivors or disability benefits (title II) and supplement security income (title XVI) recipients; individuals whose applications under either title were denied; and applicants for Social Security number cards.

	SSA-4000 SSA-4298/ 4299	SSA-3299
Number of Respondents:	9,000 (total)	1,500.
Frequency of Response:	1 .....	1.
Average Burden Per Response:	15 minutes ...	10 minutes.
Estimated Annual Burden:	2,250 hours	250 hours.

Written comments and recommendations regarding this information collection(s) should be sent within 30 days of the date of this publication. Comments may be directed to OMB and SSA at the following addresses:

(OMB) Office of Management and Budget, OIRA, Attn: Laura Oliven, New Executive Office Building, Room 10230, Washington, DC 20503  
(SSA) Social Security Administration, DCFAM, Attn: Judith T. Hasche, 6401 Security Blvd, 1-A-21 Operations Bldg., Baltimore, MD 21235.

Dated: August 8, 1996.

Judith T. Hasche,

*Reports Clearance Officer, Social Security Administration.*

[FR Doc. 96-20907 Filed 8-16-96; 8:45 am]

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## TENNESSEE VALLEY AUTHORITY

### Sunshine Act Meeting

**AGENCY HOLDING THE MEETING:** Tennessee Valley Authority (Meeting No. 1487).

**TIME AND DATE:** 9 a.m. (EDT), August 21, 1996.

**PLACE:** TVA West Tower Auditorium, 400 West Summit Hill Drive, Knoxville, Tennessee.

**STATUS:** Open.

### Agenda

Approval of minutes of meeting held on July 11, 1996.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

<sup>8</sup> Securities Exchange Act Release Nos. 36857 (February 22, 1996), 61 FR 7846 [SR-SCCP-95-06] and 36876 (February 22, 1996), 61 FR 7841 [SR-Philadep-95-08] (orders granting partial temporary approval and partial permanent approval of proposed rule changes).

<sup>9</sup> 17 CFR 200.30-3(a)(12) (1995).