

should help produce more accurate pricing of such securities and can result in tighter quotations.⁹ In addition, if the quoted markets are improved by reducing the minimum increment, the change could result in added benefits to the market such as reduced transaction costs.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**.¹⁰ The proposal provides the NYSE with the ability to quickly modify its trading increment to meet changing market conditions. This will enable the NYSE to quote competitively with other markets. Waiting the full statutory review period for the proposed rule change could place the NYSE at a significant competitive disadvantage to other markets. At the same time, the proposal is effective for only ninety days. This will provide the Commission with a sufficient period to receive and assess comments on the NYSE's proposal before it is adopted on a permanent basis.¹¹ Therefore, the Commission believes it is consistent with Section 6(b)(5) and Section 19(b)(2) of the Act to grant accelerated approval on a temporary basis to the proposed rule change.¹²

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-NYSE-97-20) is hereby approved on an accelerated basis through September 16, 1997.

SEC, Division of Market Regulation, *Market 2000: An Examination of Current Equity Market Developments* 18-19 (Jan. 1994).

⁹ A study that analyzed the reduction in the minimum tick size from $\frac{1}{8}$ to $\frac{1}{16}$ for securities listed on the Amex priced between \$1.00 and \$5.00 found that, in general, the spreads for those securities decreased significantly while trading activity and market depth were relatively unaffected. See Hee-Joon Ahn, Charles Q. Chao, and Hyuk Choe, *Tick Size, Spread, and Volume*, 5 J. Fin. Intermediation 2 (1996).

¹⁰ A prior proposal by another exchange to reduce its minimum fractional change was published for the full statutory comment period without any comments being received by the Commission. Securities Exchange Act Release No. 38571 (May 5, 1997) (approving a proposed rule change by the Amex to reduce the minimum trading differential from $\frac{1}{8}$ to $\frac{1}{16}$ for equity securities priced at or above \$10.00).

¹¹ The Exchange has submitted a companion filing that requests permanent approval of the procedures described herein. See Securities Exchange Act Release No. 34-38745 (June 18, 1997) (publishing notice of File No. SR-NYSE-97-21).

¹² 15 U.S.C. 78f(b)(5) and 78s(b)(2).

¹³ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-16574 Filed 6-24-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38745; File No. SR-NYSE-97-21]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Trading Differentials for Equity Securities

June 18, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 16, 1997, the New York Stock Exchange, Inc. ("NYSE" 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 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 proposed rule change consists of amendments to Exchange Rules 62, 95.30, 118, 127 and 440B to provide flexibility in determining minimum trading variations.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 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.

¹ 17 C.F.R. 200.30-3(a)(12).

² 15 U.S.C. 78s(b)(1).

³ This proposal seeks permanent approval of the procedures contained in File No. SR-NYSE-97-20. Securities Exchange Act Release No. 34-38744 (June 18, 1997) (granting temporary accelerated approval).

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

1. Purpose

Exchange Rule 62 currently provides fixed minimum trading variations for stocks traded on the Exchange. For example, the rule currently states that "Bids or offers in stocks above one dollar per share shall not be made at a less variation than $\frac{1}{8}$ of one dollar per share." In order to provide greater flexibility to adjust trading variations as may be appropriate, the Exchange is proposing to amend Rule 62 so that the minimum trading variation may be changed from time to time.

This increased flexibility would allow the Exchange to determine trading variations on an expedited basis, without undergoing the delays inherent in the regulatory approval process. This would put the Exchange in a comparable regulatory position with respect to minimum trading variations with other exchanges which are able to change variations at any time.

In addition, the amendment to Rule 62 will provide flexibility so that the Exchange could permit its members to trade at increments smaller than NYSE-established trade variations in order to match other markets' bids or offers for the purpose of preventing Intermarket Trading System ("ITS") trade-throughs. For example, assume that the established minimum trading variation is one-sixteenth of a dollar, and the best bid on the Exchange for a particular stock is 10, but there is a bid for that stock on the ITS AT $10\frac{1}{32}$. The Exchange specialist, or broker in the Crowd with a "not held" order, could execute a marketable limit order or market order to sell at $10\frac{1}{32}$ in order to match the ITS bid. However, the specialist could not accept an order with a limit of $10\frac{1}{32}$ since it is not the minimum variation at which trading is effected on the Exchange.

The Exchange intends initially to set a minimum variation of one-sixteenth of one dollar.

In addition to Rule 62, several other Exchange rules incorporate specific references to minimum trading variations. These rules, viz., Rule 95.30, Rule 118, Rule 127, and Rule 440B, would be amended to remove references to specific minimum trading variations of one-eighth of one dollar.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section

6(b)³ of the Act in general and furthers the objectives of Section 6(b)(5)⁴ in particular in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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.

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 Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Also, copies of

such filing will be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR-NYSE-97-21 and should be submitted by July 16, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-16576 Filed 6-24-97; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice 2558]

United States-Spain Joint Commission on Science and Technology; Public Announcement of a New Science and Technology Program for Competitive Grants To Support International, Collaborative Projects in Science and Technology Between U.S. and Spanish Cooperators

AGENCY: U.S. Department of State.

ACTION: Notice.

EFFECTIVE DATE: June 30, 1997.

FOR FURTHER INFORMATION CONTACT: Frank Finver, Office of Regional Policy Initiatives, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State, 202-736-7375.

SUPPLEMENTARY INFORMATION:

Authority: This program is established under the Agreement for Scientific and Technological Cooperation between the Government of the United States of America and the Government of the Kingdom of Spain.

Project call: A solicitation for this program will begin June 30, 1997. This program will provide grants for collaborative projects submitted by U.S. and Spanish researchers. Projects must help the United States and Spain utilize science and apply technology by providing opportunities to exchange idea, information, skills and techniques, and to collaborate on scientific and technological endeavors of mutual interest and benefit. Proposals considered for funding in calendar year 1998 must be received by the Program Administrators by October 31, 1997. Priority fields for the 1998 proposals are as follows: life sciences, environment, information and communication technology, energy and high energy physics, and materials sciences.

More information and copies of the Program Announcement and

Application may be obtained upon request to: Commission for Cultural, Educational and Scientific Exchange between the United States of America and Spain, Paseo Gral. Martinez Campos 24, 28010 Madrid, Spain; telephone (34-1) 308-2436, FAX (34-1) 308-5704; E-mail address:

postmaster@comisionfulbrighth.es.

Jonathan A. Margolis,

Acting Director, Office of Regional Policy Initiatives, Bureau of Oceans, International Environmental and Scientific Affairs.

[FR Doc. 97-16598 Filed 6-24-97; 8:45 am]

BILLING CODE 4710-09-M

SUSQUEHANNA RIVER BASIN COMMISSION

Comprehensive Plan

AGENCY: Susquehanna River Basin Commission (SRBC).

ACTION: Notice of public hearing on addition to Comprehensive Plan.

The Susquehanna River Basin Commission will hold a public hearing in conjunction with its regular meeting on July 10, 1997 at the Holiday Inn Arena, 2-6 Hawley Street, Binghamton, NY 13901-3199, beginning at 8:30 a.m. The first hearing will be for the purpose of receiving public comments on the inclusion of the proposed Out-of-Basin Diversion Policy and Protocol in the Commission's *Comprehensive Plan for Management and Development of the Water Resources of the Susquehanna River Basin*.

Under Section 3.10 of the Susquehanna River Basin Compact, Pub. Law 91-575, 84 Stat. 1509 *et seq.*, the Commission must review and approve all diversions of water from the Susquehanna River Basin. Up to this time, the Commission has adopted no formal policy position or statement on how it will evaluate proposed diversions, but has relied on positions articulated in past docket decisions. This policy establishes the principles that the Commission will consider in the approval of diversions and adds a protocol describing how those principles will be applied. Written comments will also be accepted and made a part of the hearing record.

Copies of the entire policy statement and protocol may be obtained upon request to the Commission at 1721 N. Front Street, Harrisburg, Pa. 17102-2391; (717)238-0423. Written comments may be submitted to and further information obtained from Richard A. Cairo, General Counsel.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

⁵ 17 C.F.R. 200.30-3(a)(12).