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72-588	1-12	Original	February 17, 1997.
NDIP-899	38	Original	February 17, 1997.
Total pages: 36	1-23	Original	February 16, 1997.
ASB No. PW2000			
A72-592	1-16	Original	March 18, 1997.
Total pages: 16			

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Pratt & Whitney, 400 Main St., East Hartford, CT 06108; telephone (860) 565-6600, fax (860) 565-4503. Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(o) This amendment becomes effective on August 7, 1997.

Issued in Burlington, Massachusetts, on July 25, 1997.

Jay J. Pardee,

Manager, Engine and Propeller Directorate, Aircraft Certification Service.

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CONSUMER PRODUCT SAFETY COMMISSION

16 CFR Part 1033

Display of Control Numbers for Collections of Information Under the Paperwork Reduction Act

AGENCY: Consumer Product Safety Commission.

ACTION: Final rule.

SUMMARY: The Paperwork Reduction Act of 1995 requires the Commission to display the control numbers assigned by the Office of Management and Budget to standards and regulations containing "collections of information." As used in the Paperwork Reduction Act, a "collection of information" includes any requirement for recordkeeping, reporting, or providing information to the public. The Commission is amending Part 1033 to include the control numbers for all currently approved collections of information in standards and regulations enforced by the Commission.

DATES: This amendment shall become effective on August 7, 1997.

FOR FURTHER INFORMATION CONTACT:

Allen F. Brauninger, Attorney, Office of the General Counsel, Consumer Product Safety Commission, Washington, DC 20207; telephone (301) 504-0980, extension 2216.

SUPPLEMENTARY INFORMATION: The Consumer Product Safety Commission enforces many standards and regulations that require manufacturers and importers to compile and maintain records, to report information to the Commission, or to make information available to the public. These requirements are "collections of information" as that term is used in the Paperwork Reduction Act of 1995 (PRA) at 44 U.S.C. 3502(3).

The PRA requires the Commission to obtain approval from the Office of Management and Budget (OMB) of all collections of information and to display the control number assigned by OMB for each collection of information. See 44 U.S.C. 3506.

In 1983, the Commission issued Part 1033 to display the control numbers assigned by OMB for each regulation enforced by the Commission containing a collection of information. Since 1983, the Commission has issued several standards and regulations containing collections of information that have been approved by OMB. For this reason, the Commission is amending Part 1033 to list all regulations containing collections of information currently approved by OMB and the control numbers for those regulations.

The amendment issued below is a rule of agency organization, procedure, or practice, and for that reason is not subject to provisions of the Administrative Procedure Act (APA), 5 U.S.C. 553(b) and (c), requiring publication of a notice of proposed rulemaking and opportunity for public comment. This amendment is not a substantive rule, and for that reason the requirements of section 553(d) of the APA, 5 U.S.C. 553(d), for a delayed effective date of at least 30 days are not applicable. Consequently, this amendment shall become effective on the date of publication in the **Federal Register**.

List of Subjects in 16 CFR Part 1033

Reporting and recordkeeping requirements.

Conclusion

Therefore, pursuant to the authority of section 3506(c)(1) of the Paperwork Reduction Act of 1995, 44 U.S.C. 3506(c)(1) the Commission hereby amends title 16 of the Code of Federal Regulations, Chapter II, Subchapter A, Part 1033 to read as follows:

PART 1033—DISPLAY OF CONTROL NUMBERS FOR COLLECTION OF INFORMATION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT

1. The authority for part 1033 is revised to read as follows:

Authority: 44 U.S.C. 3506(c)(1); 5 U.S.C. 553.

2. Section 1033.2 is revised to read as follows:

§ 1033.2 Display of control numbers.

The following rules enforced by the Consumer Product Safety Commission containing collections of information are listed with the control numbers assigned by the Office of Management and Budget:

Part or section of title 16 Code of Federal Regulations	Currently assigned OMB control No.
Part 1019	3041-0003
Part 1204	3041-0006
Part 1509	3041-0012
Part 1508	3041-0013
Part 1632	3041-0014
Part 1210	3041-0016
Part 1630, 1631	3041-0017
Sections 1500.18(a)(6), 1500.86(a)(4)	3041-0019
Part 1209	3041-0022
Parts 1610, 1611	3041-0024
Parts 1615, 1616	3041-0027
Part 1505	3041-0035
Part 1406	3041-0040
Part 1205	3041-0091
Part 1211	3041-0125

(44 U.S.C. 3506(c)(1); 5 U.S.C. 553)

Dated: August 1, 1997.

Sadye E. Dunn,

Secretary, Consumer Product Safety Commission.

[FR Doc. 97-20725 Filed 8-6-97; 8:45 am]

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COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

Securities Representing Investment of Customer Funds Held in Segregated Accounts by Futures Commission Merchants

AGENCY: Commodity Futures Trading Commission.

ACTION: Final Rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission") is amending Rules 1.23 and 1.25 to allow futures commission merchants ("FCMs") to make direct transfers into segregated accounts of permissible, unencumbered securities of the types set forth in Section 4d(2) of the Commodity Exchange Act ("Act") and Rule 1.25 promulgated thereunder. This will provide FCMs a more efficient means to increase or decrease their residual interest in funds segregated for the benefit of commodity customers than heretofore permitted. In addition, the revised rules will permit FCMs to deposit the proceeds from the sale or maturity of any such investments directly into a nonsegregated bank account, provided that the FCM maintains a sufficient residual financial interest in the funds segregated for commodity customers to assure that all of an FCM's obligations to its customers are covered. The Commission's expectation is that these rule changes will reduce the number of transactions required to manage an FCM's segregated cash and securities balances, thus reducing operating costs for the industry. To assure that there will be a clear audit trail for the increased types of permitted transactions, Rule 1.27 also is being amended to require that the description of the investment securities, required by the rule, includes the security identification number developed by the Committee on Uniform Security Identification Procedures ("CUSIP Number"). Also, Rule 1.25 is being amended to require identification, in the record of investments required to be maintained by Rule 1.27, of the manner in which the proceeds from the sale or maturity

of any segregated securities are disposed of.

EFFECTIVE DATE: September 8, 1997.

FOR FURTHER INFORMATION CONTACT: Paul H. Bjarnason, Jr., Chief Accountant, or Lawrence B. Patent, Associate Chief Counsel, Division of Trading and Markets ("Division"), Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581. Telephone (202) 418-5430.

SUPPLEMENTARY INFORMATION:

I. Investment of Customers' Segregated Funds

At all times, an FCM is required to have sufficient funds in segregation to meet its obligations to customers. As a consequence, to protect against a customer account going into deficit, an FCM must deposit funds of its own to cover any customer account deficits, and such funds must remain in segregation until more funds are remitted to the FCM by the customers who hold such deficit accounts. Thus, maintaining an adequate cushion of its own in segregation is a part of routine FCM funds management operations. FCM operational funding needs often dictate that any unneeded excess funds in segregation be moved so that they can be used in other aspects of the firm's operations. Therefore, prudent and efficient funds management typically requires an FCM to make frequent transfers of funds into and out of segregation.

Prior to these rule changes, FCMs were only allowed to increase or decrease their interest in customers' segregated funds by direct transfers of cash. That is, securities owned by the FCM and held in a non-segregated account could not be transferred to a segregated account. Moreover, to assure an audit trail, if an FCM wished to move funds represented by securities into segregation, the securities had to be sold and the cash proceeds transferred into a segregated account. The FCM could, then, use the segregated cash to purchase more securities that would be held in segregation. The effect of these requirements was that any segregated securities, except for securities purchased and specifically owned and deposited by individual customers, always had to be purchased with cash from a segregated cash account. Likewise, the proceeds from any sale of segregated securities always had to be deposited into a segregated account, even if there was no longer a need for the funds to be in segregation. That is, such funds could only be moved to a non-segregated account after the

securities were converted to cash and the cash had been deposited into a segregated account.

On March 21, 1997, the Commission published for comment proposed amendments to Rules 1.23, 1.25, and 1.27.¹ The proposed changes would permit FCMs to transfer their own unencumbered securities from a non-segregated account directly into a customer segregated safekeeping account. This would enable an FCM to increase the amount of funds segregated for the benefit of commodity customers more quickly and economically. To be eligible for direct transfer, such securities were required to be unencumbered and to qualify as permitted investments of customer funds under Rule 1.25. The proposed rule amendments also would permit an FCM to transfer such securities from a segregated customer safekeeping account directly to the FCM's own non-segregated account, to the extent the FCM had excess funds available in segregation. The 30-day public comment period on the proposed rule changes expired on April 21, 1997. The Commission received one written comment letter on this proposal from the Joint Audit Committee ("JAC").² The JAC raised two issues.

First, JAC suggested that Rule 1.25 be amended by removing the requirement contained in the rule that the proceeds from any sale of segregated securities be redeposited into a segregated account. JAC indicated that by eliminating this restriction, FCMs would be able to sell segregated securities directly out of the segregated account and deposit the funds to a non-segregated account. Since it was the Commission's aim to permit cash and securities to be treated the same way, thus reducing the number of transactions required to administer segregated funds and reduce transaction costs, the Commission agrees with this suggestion. Therefore, to adopt the JAC's suggestion, Rule 1.25 is further amended in two respects: 1) the requirement to deposit the proceeds from the sale of segregated securities to a segregated account is eliminated; and 2) a requirement to identify, in the record of investments required to be maintained by Rule 1.27, the manner in which the proceeds from the sale or maturity of any segregated securities are disposed of, is added to the rule. That is, if proceeds are not redeposited in a segregated account, the record must

¹ See 62 FR 13564 (March 21, 1997).

² JAC is comprised of representatives from each commodity exchange and National Futures Association which coordinate the industry's audit and ongoing surveillance activities to promote a uniform framework of self-regulation.