

07 and should be submitted by October 14, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25028 Filed 9-19-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39083; File No. SR-NASD-97-54]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the National Association of Securities Dealers, Inc., Relating to Computer-to-Computer Interface Circuit Fees for Non-NASD Members

September 16, 1997.

On July 28, 1997, the Nasdaq Stock Market, Inc. ("Nasdaq") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder² to amend Rule 7010 of the National Association of Securities Dealers, Inc. ("NASD" or "Association"), to charge Computer-to-Computer Interface ("CTCI") subscribers that are not NASD members a circuit fee of \$200 per month for each circuit. Notice of the proposed rule change, together with the substance of the proposal, was provided by issuance of a Commission release and by publication in the **Federal Register**.³ No comment letters were received. The Commission is approving the proposed rule change.

I. Description of Rule Change

Nasdaq proposed the rule change in order to charge CTCI subscribers that are not NASD members a circuit fee of \$200 per month for each circuit. Firms employ CTCI between their in-house computer systems and Nasdaq for a variety of functions, the most prevalent being order entry into the Small Order Execution System ("SOES") and the reporting of transactions into the Automated Confirmation Transaction

Service ("ACT"). Nasdaq currently supports a total of 449 circuits.

Although most users of CTCI are NASD members, a small number are not. Specifically, these are mutual funds or their pricing agents that may use CTCI for transmitting net asset values ("NAVs") each day to Nasdaq's Mutual Fund Quotation Service. To ensure that the costs are uniformly allocated among all CTCI subscribers, Nasdaq is proposing to apply the circuit charge to these subscribers as well.

The CTCI network is presently managed by MCI Communications Corp., which is responsible for customer services including installation, relocation and trouble shooting. Subscribers pay a monthly fee to MCI for each circuit in use. Nasdaq does not currently charge CTCI subscribers beyond the fees associated with the transaction services supported by the CTCI network.

Nasdaq believes that the new fee structure is necessary due to adjustments and enhancements that Nasdaq has already made to support capacity for trading days of 1 billion shares currently, 1.5 billion shares by the end of 1997, and 2 billion shares in 1998. As the number of CTCI circuits grows, the potential to exceed capacity limits in the CTCI supported services, notably ACT and SOES, likewise increases. As a consequence, additional infrastructure enhancements will be required to maintain the level of support required to run these services at an acceptable level of performance. In addition to future systems enhancements, Nasdaq continues to incur costs for the support of CTCI circuits and subscribers. These costs include hardware and software enhancements and upgrades for the communications interfaces with Nasdaq systems, support of the subscriber database, customer telephone support and Nasdaq staff planning and provisioning for CTCI. A recent activity-based costing analysis indicated that these costs total approximately \$1.1 million annually, which Nasdaq seeks to recover through this fee.

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Exchange Act,⁴ which requires that the rules of the NASD provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the NASD operates or controls.

⁴ 15 U.S.C. 78o-3.

II. Discussion

The Commission finds the proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities association and, in particular, the requirements of Section 15A(b)(5) of the Exchange Act.⁵ Section 15A(b)(5) requires that the rules of a national securities association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls. The Commission believes that the CTCI fee for non-members is reasonable and results in an equitable allocation of the costs between NASD members and non-members associated with operating CTCI. The proposed rule change will merely act to offset Nasdaq's costs of doing so. Further, it is important that Nasdaq continue to increase its capacity and that it continue its infrastructure enhancements. Improvements such as these, which strengthen the national market system, are in the public interest. Accordingly, the Commission finds that Nasdaq's proposal is appropriate and consistent with the Exchange Act.

III. Conclusion

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Exchange Act, that the proposed rule change (SR-NASD-97-54) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25082 Filed 9-19-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39080; International Series Release No. 1100; File No. SR-ODD-97-1]

Self-Regulatory Organizations; OMLX, The London Securities and Derivatives Exchange Limited; Order Approving Proposed Options Disclosure Document, as Amended

September 15, 1997.

On June 30, 1997, OMLX, The London Securities and Derivatives Exchange

⁵ In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 17 CFR 200.30-3(a)(12).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 38925 (August 12, 1997), 62 FR 44158 (August 19, 1997). Concurrently, pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act, Nasdaq filed with the Commission an identical rule change that applies to NASD members. See Securities Exchange Act Release No. 38926 (August 12, 1997), 62 FR 44157 (August 19, 1997).

Limited submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 ("Act"),¹ five preliminary copies of its options disclosure document ("ODD"), which describes the risks and characteristics of OMLX exchange-traded put and call options available to American investors.

On August 15, the OMLX exchange submitted an amendment to the ODD providing that the National Association of Securities Dealers, Inc. (the "NASD"), will not serve as a U.S. custodian of OMLX's Rulebook, ODD, and registration statement, which includes a prospectus.²

Rule 9b-1 provides that an options market must file five preliminary copies of an ODD with the Commission at least 60 days prior to the date definitive copies of the ODD are furnished to customers, unless the Commission determines otherwise, having due regard to the adequacy of information disclosed and the protection of investors. In addition, Rule 9b-1 requires an options market to file five copies of an amendment to the ODD with the Commission at least 30 days prior to the date definitive copies are furnished to customers, unless the Commission determines otherwise, having due regard to the adequacy of information disclosed and the protection of investors. The Commission has reviewed the OMLX exchange's ODD, as amended, and finds that it is consistent with the protection of investors and in the public interest to allow the distribution of the disclosure document as of the date of this order.³

It is therefore ordered, pursuant to Rule 9b-1 under the Act,⁴ that the proposed OMLX ODD, as amended, is approved, on an accelerated basis.

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

by Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25026 Filed 9-19-97 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[Docket No. RSAC-96-1, Notice No. 6]

Railroad Safety Advisory Committee; Notice of Meeting

AGENCY: Federal Railroad Administration (FRA), Department of Transportation (DOT).

ACTION: Notice of Railroad Safety Advisory Committee ("RSAC") meeting.

SUMMARY: FRA announces the next meeting of the RSAC, a Federal Advisory Committee that develops railroad safety regulations through a consensus process. The meeting will address a wide range of topics, including possible adoption of specific recommendations for regulatory action and consideration of new tasks to be proposed by FRA.

DATES: The meeting of the RSAC is scheduled to commence at 9:30 a.m. and conclude at 4:00 p.m. on Tuesday, September 30, 1997.

ADDRESSES: The meeting of the RSAC will be held at the BWI Airport Marriott, 1743 West Nursery Road, Baltimore, Maryland. The meeting is open to the public on a first-come, first-served basis and is accessible to individuals with disabilities. Sign language interpreters will be available for individuals with hearing impediments.

FOR FURTHER INFORMATION CONTACT:

Vicky McCully, FRA, 400 7th Street, S.W. Washington, D.C. 20590, (202) 632-3330, Grady Cothen, Deputy Associate Administrator for Safety Standards and Program Development, FRA, 400 7th Street, S.W., Washington, D.C. 20590, (202) 632-3309, or Lisa Levine, Office of Chief Counsel, FRA, 400 7th Street, S.W., Washington, D.C. 20590, (202) 632-3189.

SUPPLEMENTARY INFORMATION:

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), FRA is giving notice of a meeting of the Railroad Safety Advisory Committee ("RSAC"). The meeting is scheduled to begin at 9:30 a.m. and conclude at 4:00 p.m. on Tuesday, September 30, 1997. The meeting will be held at the BWI Airport Marriott, 1743 West Nursery Road, Baltimore, Maryland. All times noted are Eastern Standard Time.

RSAC was established to provide advice and recommendations to the FRA on railroad safety matters. The Committee consists of 48 individual representatives, drawn from among 27 organizations representing various rail industry perspectives, and 2 associate non-voting representatives from the agencies with railroad safety regulatory responsibility in Canada and Mexico. Staff of the National Transportation Safety Board also participates in an advisory capacity.

During this meeting, the RSAC will receive status reports, containing progress information, regarding the proposed revision of the Track Safety Standards (including recently published NPRM on revisions to the track safety standards contained in 49 CFR part 213 and related issues) and the Notice of Proposed Rulemaking on Railroad Communications (including revisions to 49 CFR part 220).

The Committee will be briefed on, and may be asked to consider for approval, the Tourist and Historic Railroad working group's proposal for the revision of the steam locomotive inspection and testing standards contained in 49 CFR part 230.

The RSAC will also be receiving status reports, containing progress information, concerning three recently constituted elements of the Committee: the Locomotive Crashworthiness Working Group, the Locomotive Cab Working Conditions Working Group, and the Event Recorder Working Group (established to develop locomotive event recorder accident survivability standards and other amendments).

Finally, the agency will present four new tasks to the Committee for its acceptance: (1) review of the definition of events required to be reported as "train accident" under the Accident/ Incident Reporting regulations; (2) development of performance standards for communications- and processor-based signal and train control systems; (3) evaluation of requirements for Positive Train Control (PTC), including costs and benefits of PTC systems; and (4) revisions to the regulations addressing freight cars safety standards, specifically with respect to applicability to freight cars used for maintenance of way purposes.

Please refer to the notice published in the **Federal Register** on March 11, 1996 (61 F.R. 9740) for more information about the RSAC.

Donald M. Itzkoff,
Deputy Administrator.

[FR Doc. 97-25112 Filed 9-17-97; 3:15 pm]

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¹ 17 CFR 240.9b-1.

² These documents will be available by request to OMLX, The London Securities and Derivatives Exchange, Limited, 107 Cannon Street, London EC4N 5AD, or by accessing OMLX's Internet address at: <http://omlgroup.com>.

³ Rule 9b-1 provides that the use of an ODD shall not be permitted unless the options class to which the document relates is the subject of an effective registration statement on Form S-20 under the Securities Act of 1933. On September 12, 1997, the Commission, pursuant to delegated authority, declared effective, OMLX's Form S-20 registration statement. See File No. 333-34519.

⁴ 17 CFR 240.9b-1.

⁵ 17 CFR 200.30-3(a)(39).