

prevailing exchange rate. DTC will not process corporate bearer bonds through CCS unless the paying agent is able to convert the funds to U.S. dollars.

Second, DTC will suppress for corporate bearer coupons the automatic payment function that it applies to municipal bearer coupons. Under the current operation of CCS, DTC credits participants' accounts on the payable date of the municipal bearer coupons regardless of whether it has received the money. With corporate bearer bonds, DTC will need to receive the interest payment before paying the participant in order to avoid having to adjust participants' accounts due to fluctuations in exchange rates. DTC has informed the Commission that due to the additional processing and tracking of corporate bearer coupon deposits, a surcharge will be added in the future for the handling of these deposits.

DTC will require that each shell contain the following information on its face:

1. CUSIP number;
2. description of issue including purpose, series, date of issue, and maturity date;
3. payable date;
4. quantity of coupons enclosed;
5. dollar value of individual coupons;
6. total shell value unless payable in Canadian dollars;
7. participant number; and
8. contact number and telephone number of the depositing participant.

The shells will need to be accompanied by one completed deposit ticket for up to twenty-five shells which provides the following information:

1. participant number;
2. shell quantity;
3. total dollar value;
4. CUSIP number per shell;
5. coupon quantity per shell;
6. dollar value per shell unless payable in Canadian dollars; and
7. whether the coupons are future-due or past-due.

DTC will verify the number of shells listed on the deposit ticket and give the participant a time-stamped copy of the ticket. If the number of shells listed on the deposit ticket does not agree with the physical number of shells, the entire deposit will be rejected and sent back to the participant.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC 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, in the public interest, and for the protection of investors.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments from DTC participants and others have not been solicited or received.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety 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 DTC consents, the Commission will:

- (A) by order approve such 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-97-17 and should be submitted by February 17, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-1857 Filed 1-26-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39562; File No. SR-NASD-97-78]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to the Amended Interpretation of IM-8310-2 Concerning the Release of Additional Disciplinary Information

January 20, 1998.

I. Introduction

On October 17, 1997, the National Association of Securities Dealers, Inc. ("NASD" or "Association") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change which amended the Interpretation on the Release of Disciplinary Information, IM-8310-2 of Rule 8310 of the Procedural Rules of the NASD ("Interpretation" or "IM-8310-2"). A notice of the proposed rule change was published in the **Federal Register** on November 21, 1997.³ The Commission has received no comment letters on the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

In its notice, filed on October 17, 1997, the NASD Regulation, Inc. ("NASDR") proposed to amend IM-8310-2 to include the phrase "electronic inquiry" in the rule language so that it could respond to electronic inquiries, as well as written or telephonic inquiries. In the notice, the NASDR also proposed to amend the rule language to include the additional information required to be reported on the amended Forms U-4, U-5, and BD.

In November 1997, the NASDR requested that the Commission approve, on an accelerated basis, that portion of the amended rule language that would allow it to respond to electronic

⁵ 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 Rel. No. 39322 (Nov. 13, 1997), 62 FR 62391.

⁴ 15 U.S.C. 78q-1.

inquiries.⁴ Hence, the Commission partially approved, on an accelerated basis, that portion of the NASDR's request which gives the NASD the option of responding to the electronic inquiries of persons or entities requesting employment and disciplinary history of its members and their associated persons.⁵ This order approves the amended rule language that addresses the release of additional disciplinary history required to be disclosed pursuant to amended Forms U-4, U-5, and BD.

II. Description of Proposal

Under the NASD's Public Disclosure Program ("PDP"),⁶ the NASD, in response to a written inquiry, electronic inquiry,⁷ or telephonic inquiry via a toll-free telephone listing, releases certain information contained in the Central Registration Depository ("CRD") regarding the employment and disciplinary history of its members and their associated persons, including information regarding past and present employment history with Association members; all final disciplinary actions taken by federal, state, or foreign securities agencies or self-regulatory organizations that relate to securities or commodities transactions; all pending disciplinary actions that have been taken by federal or state securities agencies or self-regulatory organizations that relate to securities and commodities transactions and are required to be reported on Form BD or Form U-4; all foreign government or self-regulatory organization disciplinary actions that relate to securities or commodities transactions and are required to be reported on Form BD or Form U-4; and all criminal indictments, informations or convictions that are required to be reported on Form BD or Form U-4. The Association also releases information concerning civil judgments and arbitration decisions in securities and commodities disputes involving public customers.

On November 25, 1996, as part of its PDP, the NASD filed a proposed rule change, SR-NASD-96-38, designed to permit the NASD to release additional

information regarding the disciplinary history of its members and persons associated with a member.⁸ In January 1997, NASDR's senior management determined that the CRD redesign should be reassessed in light of changing business needs and rapidly advancing computer technology. After negotiations and discussions among the Commission, the NASD, and the North American Securities Administrators Association, Inc. ("NASAA") concerning CRD development and implementation, SR-NASD-96-38 was withdrawn and replaced by this filing, SR-NASD-97-78.

This filing proposes the same substantive disclosure as SR-NASD-96-38. Specifically, the proposed rule change allows the NASD to release all information on any question on page 3 (Question 22) of the amended Form U-4 and Question 11 of the amended Form BD, as approved by the Commission in July 1996.⁹ The additional information that the NASD proposes to disclose includes:

1. All pending arbitrations and civil proceedings that relate to securities or commodities transactions;
2. Pending written customer complaints alleging sales practice violations and compensatory damages of \$5,000 or more;
3. Settlement's of \$10,000 or more of arbitrations, civil suits, and customer complaints involving securities or commodities transactions;
4. Current investigations involving criminal or regulatory matters;
5. Terminations of employment after allegations involving violation of investment-related statutes or rules, fraud, theft, or failure to supervise investment-related activities;
6. Bankruptcies less than 10 years old and outstanding liens or judgments;
7. Bonding company denials, pay outs, or revocations; and
8. Any suspension or revocation to act as an attorney, accountant, or federal contractor.

To accomplish the release of this additional information, however, the NASD has reformatted the questions set forth on page 3 of amended Form U-4; questions 13 through 16 on amended Form U-5; and the Disclosure Reporting

Pages ("DRPs") for both forms in a manner that is compatible with its current CRD technology protocol. The reformatted, interim forms and DRPs contain no substantive changes to any of the questions.

The NASD proposes to make the interim forms and the disclosure of the additional information set forth in this rule filing effective on February 17, 1998.¹⁰ This effective date will permit members and the NASD to complete annual registration renewals and permit the NASD to train members on the use of the interim forms before they are implemented. The information that would be released from January 1¹¹ to February 17, 1998, would include only that information that currently is required to be reported on the Forms U-4 and U-5.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act¹² and the rules and regulations promulgated thereunder applicable to the NASD. Specifically, the Commission believes that approval of the proposed rule change is consistent with Section 15A(b)(6) of the Act. Section 15A(b)(6) provides in relevant part that the rules of the Association be designed to foster cooperation and coordination with persons engaged in regulating and processing information with respect to securities and not to permit unfair discrimination among customers, issuers, brokers or dealers.

Pursuant to Section 15A(b)(6), the proposed rule change benefits the public because, by releasing this additional disciplinary information, the

¹⁰ See *supra* note 3, at p. 62391. See also letter from Joan Conley, Secretary, NASD to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated November 13, 1997, (correcting Amendment No. 2 to reflect this effective date).

¹¹ Upon approval of the electronic inquiry portion of its proposal, the NASD had planned to begin responding to electronic inquiries for PDP information, via the Internet, on or about January 1, 1998. See *supra* note 3 at p. 62391. However, hardware problems and system capacity have hampered implementation. Telephone conversation between Alden S. Adkins, General Counsel, NASDR, and Katherine A. England, Assistant Director, Division of Market Regulation, SEC, December 29, 1997.

¹² In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. The release of additional disciplinary history of the NASD's members and associated persons should result in competition for brokerage business among those broker-dealers with impeccable disciplinary histories. Efficiency should improve in the marketplace as members and their associated persons become more conscious of compliance and the potential ramifications of this increased disclosure. 15 U.S.C. 78c(f).

⁴ Telephone conversation with Alden S. Adkins, General Counsel and Mary M. Dunbar, Assistant General Counsel, NASDR, and Belinda Blaine, Associate Director, Katherine A. England, Assistant Director, and Mignon McLemore, Staff Attorney, Division of Market Regulation, November 26, 1997.

⁵ See Securities Exchange Act Rel. No. 39442 (December 11, 1997), 62 FR 66706 (December 19, 1997).

⁶ See Securities Exchange Act Rel. No. 30629 (April 23, 1992), 57 FR 18535 (April 30, 1992); and Securities Exchange Act Rel. No. 32568 (July 1, 1993), 58 FR 36723 (July 8, 1993).

⁷ See *supra* note 5.

⁸ The NASD proposal to release additional disciplinary history of its members and associated persons was initially filed with the Commission on November 26, 1996. See Securities Exchange Act Rel. No. 37994 (November 27, 1996), 61 FR 64549 (December 5, 1996) (SR-NASD-96-38).

⁹ See Securities Exchange Act Rel. No. 37407 (July 5, 1996), 61 FR 36595 (July 11, 1996); and Securities Exchange Act Rel. No. 37431 (July 12, 1996), 61 FR 37357 (July 18, 1996); See also Securities Exchange Act Rel. No. 37632 (September 4, 1996), 61 FR 47412 (September 9, 1996).

NASD is providing investors with a resource to aid them in choosing a broker-dealer for their investment needs. Moreover, increasing disclosure of members' and their associated persons' relevant disciplinary history could help investors determine whether to conduct or continue to conduct business with a particular broker-dealer or associated person. The Commission notes that disclosure of this additional information may serve as a deterrent to fraudulent activity as well.

According to the NASD, the Forms U-4 and U-5 had to be redesigned to facilitate compliance with this disclosure requirement at this time. Thus, the forms were redesigned to be compatible with the current CRD protocol (*i.e.*, the answers on the interim forms now match the location of questions in the CRD system). Upon completion of the CRD redesign, the forms as originally designed will be implemented. The Commission, therefore, approves the use of these interim forms, recognizing their necessity in disseminating this additional disciplinary history to the public.

For the above reasons, the Commission believes that the proposed rule change is consistent with the provisions of the Act, and in particular, with Section 15A(b)(6).

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the remaining portion of proposed rule change, SR-NASD-97-78, concerning the release of additional disciplinary information be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-1853 Filed 1-26-98; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

RTCA Technical Management Committee

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act Pub. L. 92-463, 5 U.S.C., Appendix 2), notice is hereby given for the RTCA Technical Management Committee meeting to be held February 19, 1998, starting at 9:00 a.m. The meeting will be held at RTCA, 1140 Connecticut Avenue, NW., Suite 1020, Washington, DC 20036.

The agenda will include: (1) Chairman's Remarks; (2) Review and Approval of Summary of the Previous Meeting; (3) Consider and Approve: a. Proposed Final Draft, Minimum Aviation System Performance Standards for Automatic Dependent Surveillance Broadcast (ADS-B), RTCA Paper No. 007-98/TMC-308, Prepared by Special Committee (SC)-186; b. Proposed Final Draft, Guidance for Initial Implementation of Cockpit Display of Traffic Information, RTCA Paper No. 384-97/TMC-305, Prepared by SC-186; c. Proposed Change 2 to DO-229, Minimum Operational Performance Standards for Global Positioning System/Wide Area Augmentation System Airborne Equipment, RTCA Paper No. 381-97/SC159-773, Prepared by SC-159; (4) Discuss/Take Position on: a. Proposed Revision to the Terms of Reference for SC-190, RTCA Paper No. 279-97/SC190-021; b. Discussion on the Work Plan for SC-191, Collaborative Decisionmaking; c. Committee Chairman's Progress Report for SC-182, Avionics Computer Resource; d. Committee Milestones, RTCA Paper No. 006-98/TMC-307; e. Status of SC-169, Data Link; f. Proposal for Terrain Data Base Special Committee; g. Proposal for SC-181, Navigation Standards, to Develop a MOPS for Navigation Data Information on a Moving Map; h. Proposed Revision to the Terms of Reference for SC-147; (5) Other Business; (6) Date and Place of Next Meeting.

Attendance is open to the interested public but limited to space availability. With the approval of the chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain information should contact the RTCA Secretariat, 1140 Connecticut Avenue, NW., Suite 1020, Washington, DC 20036; (202) 833-9339 (phone); (202) 833-9434 (fax); or <http://www/rtdca.org> (web site). Members of the public may present a written statement to the committee at any time.

Issued in Washington, DC, on January 16, 1998.

Janice L. Peters,

Designated Official.

[FR Doc. 98-1924 Filed 1-26-98; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33539]

The Burlington Northern and Santa Fe Railway Company—Trackage Rights Exemption—Southern Pacific Transportation Company

Southern Pacific Transportation Company (SPT) has agreed to grant overhead trackage rights to The Burlington Northern and Santa Fe Railway Company (BNSF) over SPT's line between Caldwell, TX, in the vicinity of SPT's Ennis Subdivision milepost 30.8, and Placedo, TX, in the vicinity of SPT's Victoria Subdivision milepost 14.2, a distance of approximately 152.7 miles.¹

The transaction was scheduled to be consummated on January 19, 1998. The purpose of the trackage rights is improve the operating efficiencies of SPT and BNSF.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in *Norfolk and Western Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Ry., Inc.—Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33539, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Michael E. Roper, Esq., The Burlington Northern and Santa Fe Railway Company, 3017 Lou Menk Drive, P.O. Box 961039, Fort Worth, TX 76161-0039.

Decided: January 20, 1998.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,

Secretary.

[FR Doc. 98-1910 Filed 1-26-98; 8:45 am]

BILLING CODE 4915-00-P

¹ The trackage rights are limited to southbound movements and are provided solely to facilitate directional operations between Houston, TX, and Placedo. In addition, the trackage rights will continue only so long as SPT continues to operate directionally between Houston and Placedo.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).