

| Form Nos. | Annual responses | Time (min) | Burden (hrs) |
|----------------|------------------|------------|--------------|
| ID-3u | 1,500 | 3 | 75 |
| ID-30k | 2,500 | 5 | 208 |
| ID-30k.1 | 2,000 | 5 | 167 |
| Total | 30,700 | | 1,875 |

Additional Information or Comments:
To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

Chuck Mierzwa,

Clearance Officer.

[FR Doc. 98-21396 Filed 8-10-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40306]

Alternative Dispute Resolution Policy Statement

AGENCY: Securities and Exchange Commission.

ACTION: Final statement of policy.

SUMMARY: Consistent with the Administrative Dispute Resolution Act of 1996, the recommendations of the National Performance Review, and Executive Order 12988, the Securities and Exchange Commission has adopted this Final Statement of Policy on the use of alternative dispute resolution (ADR) techniques to resolve appropriate disputes in a fair, timely, and cost efficient manner.

EFFECTIVE DATE: August 11, 1998.

FOR FURTHER INFORMATION CONTACT: D. Leah Meltzer, Senior ADR Specialist, Office of General Counsel, Securities and Exchange Commission, 450 Fifth Street, NW, Mail Stop 6-6, Washington, DC 20549, telephone (202) 942-0048; e-mail meltzerd@sec.gov.

SUPPLEMENTARY INFORMATION:

Background

On January 29, 1993, in response to the Administrative Dispute Resolution Act of 1990, the Commission published a notice in the **Federal Register** inviting interested persons to submit comments on the utility of application of ADR

procedures in Commission programs and activities to assist the Commission in its effort to develop appropriate policies. All nine comments received related to the Commission's enforcement program and were considered in developing the Commission's final Statement of Policy.

Statement of Policy on Alternative Dispute Resolution

ADR is the resolution of disputes through informal, voluntary, consensual techniques such as mediation, early neutral evaluation, minitrials, the practice of ombuds, arbitration and other methods. The Commission is committed to the use of ADR as a management tool to resolve disputes at an early stage, in an expeditious, cost effective, and mutually acceptable manner. The Commission adopts this policy to express its full support for the appropriate use of ADR. This policy is intended to apply to the resolution of disputes in contract administration, disputes in litigation (except as noted below), and internal disputes, such as those between employees and management. It is not intended to apply to inspections and law enforcement investigations. In addition, a number of factors make litigation challenging enforcement of the federal securities laws generally unsuitable for ADR techniques (*i.e.*, the need to ensure that the law enforcement function is not compromised, the need to ensure uniform treatment, and the need for judicial resolution or precedent). This policy is also not intended to apply to situations where the Commission seeks a temporary retraining order.

Core Principles Governing the Commission's Use of ADR

Any use of ADR by the Commission will be governed by certain core principles. Foremost, any Commission ADR program must further the agency's mission of administering the federal securities laws and protecting investors. While the Commission will consider ADR in any dispute in which a negotiated solution is a potentially acceptable outcome, the Commission believes that not every dispute is suitable for settlement through ADR. Further, while ADR processes are an

important option in the Commission's ability to resolve disputes, we believe the processes are supplementary to, not a displacement of, traditional adjudicative methods of resolving disputes. Therefore, the Commission will engage in ADR only after determining that ADR is appropriate in a particular instance. Moreover, the Commission recognizes that its ADR policies and programs must be flexible enough to respond to the diversity of disputes that the Commission handles, the evolving court-based ADR programs, and on-going statutory changes and programmatic concerns. To that end, the Commission believes that its ADR policy should be dynamic and continually developing.

Affirmative Steps To Promote the Use of ADR

In furtherance of its commitment to ADR, the Commission has taken and will continue to take several affirmative steps to promote the use of ADR. The Administrative Dispute Resolution Act requires that each agency appoint an agency Dispute Resolution Specialist. The Commission has appointed the General Counsel as the agency Dispute Resolution Specialist. The senior ADR specialist serves as the Deputy Dispute Resolution Specialist. The Dispute Resolution Specialist is authorized to develop dispute resolution policy and procedures; consult with the staff on individual disputes regarding the appropriate use of ADR; develop conflict management and prevention programs; monitor implementation and evaluate dispute resolution program execution and results; determine appropriate ADR-related training within the Commission to educate employees and disputants about ADR and conflict management options and processes; provide for access to neutral third parties; and assure that incentives are developed which reward the appropriate use of ADR.

Training

The Commission has begun and will continue to provide ADR training to managers, supervisors and other individuals identified as benefiting from the training, so that they will understand the appropriate use of ADR,

its potential benefits, and how to obtain assistance. The Commission will, as appropriate, also provide certain employees, including litigation and contract attorneys, with training in ADR advocacy techniques.

Confidentiality of ADR Processes

The Commission recognizes that the successful use of ADR procedures is dependent on reasonable assurances of confidentiality to protect the process. This principle is recognized and implemented by provisions of the ADR Act. Accordingly, in connection with the ADR policy adopted herein, the Commission adopts a policy of confidentiality consistent with provisions of the ADR Act. In addition, the Commission, except as it pertains to the Office of the Inspector General, agrees not to issue process against any participant in an ADR proceeding, including any neutral utilized by these ADR procedures, or to obtain information or documents received by the participants in connection with such proceedings. The Commission also directs that members of the staff, who may receive information or documents in connection with any matter submitted to ADR, not disclose such information and documents under any circumstances inconsistent with the confidentiality provisions set forth in Section 574 of the 1996 ADR Act. Section 574 provides that, except in certain limited situations, neither a neutral nor the parties to a dispute may voluntarily disclose or through compulsory process be required to disclose any oral or written communication prepared for the purpose of a dispute resolution proceeding. To the extent disclosure is permitted pursuant to an exception in Section 574, members of the staff may not disclose or use such information or documents for any purpose other than in connection with one's official duties or responsibilities. Violation of this policy may result in disciplinary action. This policy of confidentiality does not prevent the discovery or admissibility of otherwise discoverable evidence in any administrative or judicial forum merely because the evidence is presented in a proceeding utilizing ADR procedures.

Implementation

It is the responsibility of all Commission employees to implement this policy and to practice and promote cost-effective dispute resolution in Commission programs and other areas of Commission operation. All management and employees of the Commission are hereby directed to take the necessary steps to implement this

policy and to cooperate to the fullest extent with the Dispute Resolution Specialist and his/her designee to promote effective and appropriate use of ADR at the Commission in furtherance of this policy. The determination to use ADR in any particular instance rests with the head of the Division or Office involved.

This policy statement is intended only to improve the internal management of the Commission in resolving disputes. It shall not be construed as creating any right or benefit, substantive or procedural, enforceable at law or in equity, by any person against the Commission or its employees. This policy statement shall not be construed to create any right to judicial review involving the compliance or noncompliance of the Commission or its employees with this statement. Nothing in this policy statement shall be construed to obligate the Commission to offer funds to settle any case, to accept a particular settlement or resolution of a dispute, to alter its standards for accepting settlements, to submit to binding arbitration, or to alter any existing delegation of settlement or litigating authority.

Dated: August 5, 1998.

By the Commission.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40303; File No. SR-NYSE-98-22]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Listing and Trading Broad InDex Guarded Equity-linked Securities on the Dow Jones Euro STOXX 50 Index

August 4, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 24, 1998, 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 and II below, which Items

have been prepared by the NYSE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

I. Self-Regulatory Organization's Statement of the Term of Substance of the Proposed Rule Change

The Exchange proposes to list for trading BRoad InDex Guarded Equity-linked Securities ("BRIDGES"),³ the return on which is based upon the performance of a 50-company index (the "Dow Jones Euro STOXX 50" or "DJES50") that an affiliate of Dow Jones & Co., Inc. Publishes. The companies comprising the DJES50 are highly-capitalized, "blue chip" European companies.⁴

The text of the proposed rule change is available at the Office of the Secretary, NYSE and at Commission.

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 NYSE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it receive on the proposed rule change. The NYSE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Pursuant to the listing criteria set forth in Section 703.19 of the Exchange's *Listed Company Manual*, the Exchange lists and trades BRIDGES.⁵ BRIDGES are securities that entitle the holder to receive from the issuer upon maturity pre-established percentage of the principal amount of the BRIDGES plus an amount based upon the increase

³ "BRoad InDex Guarded Equity-linked Security" and "BRIDGES" are service marks of Morgan Stanley Dean Witter & Co. ("MSDW").

⁴ Appendix A to the NYSE's proposal, which is available at the Office of the Secretary, NYSE and at the Commission, lists the 50 component companies of the DJES50 and identifies the home country and industry sector for each company, each company's relative weighting within the DJES50, each component company's price and capitalization average daily share volume over the past 12 months for each company.

⁵ Currently, the Exchange lists and trades BRIDGES on the S&P 500 and the Dow Jones Industrial Average.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19-4.