

Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor, can be obtained by contacting Dr. Medhat M. El-Zeftawy, Acting Chief of the Nuclear Reactors Branch (telephone 301/415-6889), between 7:30 A.M. and 4:15 P.M. EST.

ACRS meeting agenda, meeting transcripts, and letter reports are available for downloading or reviewing on the internet at <http://www.nrc.gov/ACRSACNW>.

Dated: February 12, 1998.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. 98-4145 Filed 2-18-98; 8:45 am]

BILLING CODE 7590-01-P

POSTAL SERVICE

United States Postal Service Board of Governors; Sunshine Act Meeting

TIMES AND DATES: 1:00 p.m., Monday, March 2, 1998; 8:30 a.m., Tuesday, March 3, 1998.

PLACE: Washington, D.C., at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, S.W. in the Benjamin Franklin Room.

STATUS: March 2 (Closed); March 3 (Open).

MATTERS TO BE CONSIDERED:

Monday, March 2—1:00 p.m. (Closed)

1. Compensation issues.
2. Status Report on Rate Case R97-1.
3. Report on the Tray Management System.
4. Personnel issues.

Tuesday, March 3—8:30 a.m. (Open)

1. Minutes of the Previous Meeting, February 2-3, 1998.
2. Remarks of the Postmaster General/Chief Executive Officer.
3. Alternative Dispute Resolution.
4. Tentative Agenda for the April 6-7, 1998, meeting in Washington, D.C.

CONTACT PERSON FOR MORE INFORMATION:

Thomas J. Koerber, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, S.W., Washington, D.C. 20260-1000. Telephone (202) 268-4800.

Thomas J. Koerber,

Secretary.

[FR Doc. 98-4381 Filed 2-17-98; 3:28 pm]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26825]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

February 12, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by March 9, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Entergy Corporation, et al. (70-9123)

Entergy Corporation ("Entergy"),¹ of 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company, and its wholly owned nonutility subsidiary companies, Entergy Enterprises, Inc.,² Entergy

¹Through its five domestic retail public utility companies, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc. and Entergy New Orleans, Inc. (collectively, "System Operating Companies"), Entergy provides electric service to approximately 2.4 million customers located in the states of Arkansas, Louisiana, Mississippi, Tennessee and Texas, and retail gas service in portions of Louisiana.

²By Commission order dated June 30, 1995, Holding Co. Act Release No. 26322 ("June 1995 Order") Entergy Enterprises, Inc. ("EEI") is authorized, among other things, to engage in development activities with respect to potential investments by Entergy in various energy, energy-related and other nonutility businesses. The June 1995 Order also authorized EEI to provide various

Global Power Operations Corporation and Entergy Power Operations U.S., Inc.,³ each of 4 Park Plaza, Irvine, California 92614, Entergy Power, Inc.,⁴ and Entergy Power Marketing Corp.,⁵ each of 10055 Grogan's Mill Road, The Woodlands, Texas 77380, Entergy Integrated Solutions, Inc.,⁶ 4740 Shelby Drive, Memphis, Tennessee 38118, Entergy Nuclear, Inc.,⁷ 1340 Echelon

management, administrative and support services to certain of its associate companies, other than Excepted Companies, as defined below, to provide consulting services to associate and nonassociates companies and to provide operations and maintenance services ("O&M Services") directly, or indirectly, through other subsidiaries of Entergy ("O&M Subs"), to nonassociate companies and to certain of its associate companies, using the skills and resources of other Entergy system companies.

³Entergy Global Power Operations Corporation and its wholly owned subsidiary, Entergy Power Operations U.S., Inc., were recently organized by Entergy as O&M Subs under the June 1995 Order. Applicants represent that to date, neither company has entered into any agreements for the provision of O&M services.

⁴Since 1990, Entergy Power, Inc. ("EPI") has been engaged in the business of marketing and selling its capacity and related energy at wholesale to nonassociate bulk power purchasers on market based terms and conditions. EPI currently owns a 21.5% undivided ownership interest in Unit No. 2 of the Independence Steam Electric Generating Station ("Independence 2") and a 100% ownership interest in Unit No. 2 of the Ritchie Steam Electric Generating Station ("Ritchie 2"), at 544 megawatt ("MW") oil- and gas-fired generating facility. Together, EPI's interest in Independence 2 and Ritchie 2 represents an aggregate of 809 MW of generating capacity. EPI is presently authorized by the Federal Energy Regulatory Commission ("FERC") to sell, at market based rates, up to an aggregate of 1,500 MW of capacity and energy. To facilitate these sales, EPI receives electric transmission service under the Entergy system's open access transmission tariff.

⁵Entergy Power Marketing Corp. ("EPMC") was originally organized in 1995 as an EWG, defined below, to engage in the marketing and brokering of electric power at wholesale. Coincident with Commission order dated January 6, 1998, Holding Co. Act Release No. 26812, EPMC relinquished its EWG status. EPMC currently engages in the brokering and marketing of energy commodities in wholesale and retail markets in the United States, and risk management and other activities related to its energy commodities business. Applicants assert that EPMC does not own or operate any facility that would cause it to fall within the definition of an "electric utility company" or a "gas utility company" under the Act.

⁶By Commission order dated December 28, 1992, Holding Co. Act Release No. 25718, Entergy Integrated Solutions, Inc. ("EIS") was formed as a wholly owned subsidiary of EEI to engage in, among other things, the energy management services business and the provision of related consulting services. EIS's primary business is the installation and maintenance of high efficiency lighting equipment through multiyear sales contracts for small to medium size commercial customers. Under Commission order dated July 27, 1995, Holding Co. Act Release No. 26342, EIS recently broadened its product offerings to include the design, installation, operation and maintenance of high efficiency air conditioning, refrigeration and energy management systems for commercial, institutional and government customers.

⁷Entergy Nuclear, Inc. ("ENI"), a wholly owned subsidiary of EEI, was formed as an O&M Sub to

Continued

Parkway, Jackson, Mississippi 39213 and Entergy Operations Services, Inc.,⁸ 110 James Parkway West, St. Rose, Louisiana 70087 (collectively, "Applicants"), have filed an application-declaration ("Application") under sections 6(a), 7, 9(a), 10, 12(b), 12(c), 12(f), 13(b), 32 and 33 of the Act and rules 42, 45, 46, 53, 54, 58, 83, 87, 90 and 91 under the Act requesting authorization to engage in various financing and related transactions involving Entergy and/or certain of its nonutility subsidiaries.

New Subsidiaries

Entergy proposes to acquire, directly or indirectly, the securities of one or more companies ("New Subsidiaries") organized for the purposes of (a) performing service and development activities currently authorized by the Commission⁹ and/or (b) acquiring, owning and holding the securities of one or more associate companies. These associate companies would include exempt wholesale generators ("EWGs"),¹⁰ foreign utility companies ("FUCOs"),¹¹ exempt telecommunications companies ("ETCs"),¹² energy-related companies ("ERCs"),¹³ O&M Subs, other New Subsidiaries and certain subsidiaries of Entergy ("Authorized Subsidiary Companies").¹⁴ EWGs, FUCOs, ETCs, ERCs, O&M Subs, New Subsidiaries and Authorized Subsidiary Companies are

engage in the business of operating and managing nuclear power facilities under the June 1995 Order. ENI has entered into a contract to provide services to Maine Yankee Atomic Power Company through September 30, 1998 in connection with the decommissioning of the Maine Yankee Nuclear Plant. ENI may enter into agreements with other utility systems to provide O&M Services.

⁸ Entergy Operations Services, Inc. ("EOSI"), a wholly owned subsidiary of EEI was formed as an O&M Sub under the June 1995 Order to engage in the business of operating and maintaining fossil-fueled generation, transmission and distribution assets of utility companies, municipalities and large commercial and industrial customers, primarily in the United States. EOSI's current business activities include the sale to nonaffiliates of various O&M Services, including services related to the design and construction of fossil-fueled generating facilities and other power projects. EOSI currently provides services to, or on behalf of, the City of Austin and ESKOM, a South African utility, with respect to the management and operations of certain coal-fired generating units and nuclear generating units owned and/or operated by these customers. Recently, EOSI has performed substation maintenance and construction work for several industrial customers.

⁹ See note 15 below.

¹⁰ EWGs are defined in section 32 of the Act.

¹¹ FUCOs are defined in section 33 of the Act.

¹² ETCs are defined in section 34 of the Act.

¹³ ERCs are defined in rule 58 under the Act.

¹⁴ The Authorized Subsidiary Companies are the Applicants, other than Entergy.

referred to in this Application collectively as "Nonutility Companies".

New Subsidiaries may be direct or indirect subsidiaries of Entergy, and may perform development activities and administrative services and/or consulting services, as described below. Investments by Entergy in New Subsidiaries may take the form of any combination of: (i) purchases of capital shares, partnership interests, member interests in limited liability companies, trust certificates or other forms of equity interests (collectively, "Capital Stock"); (ii) capital contributions; (iii) open account advances without interest; (iv) loans; and (v) Guarantees, as defined below, issued in support of securities or other obligations of New Subsidiaries. The source of funds for direct or indirect investments by Entergy in any New Subsidiary include (a) borrowings authorized by Commission orders dated February 26, 1997 (HCAR No. 26674); (b) proceeds from the sale of Entergy common stock authorized by Commission order dated March 25, 1997 (HCAR No. 26693) and June 6, 1996 (HCAR No. 26528); (c) proceeds derived from securities issuances authorized by the Commission in future orders; and (d) other available cash resources. Loans by Entergy to a New Subsidiary will have interest rates and maturity dates that are designed to provide a return to Entergy of not less than Entergy's effective cost of capital. To the extent not exempt or otherwise authorized by the Commission, initial investments in the Capital Stock of New Subsidiaries will be included in the Aggregate Authorization, as described below.

To the extent that Entergy provides funds to a New Subsidiary which are used to invest in any EWG or FUCO, the amount of the investment will be included in the calculation of "aggregate investment" required under rule 53. Moreover, to the extent that Entergy provides funds to a New Subsidiary which are used to invest in an ERC, the amount of the investment will be included in the calculation of "aggregate investment" required under rule 58.

From time to time, Entergy proposes to consolidate or reorganize all or any part of its ownership interests in Nonutility Companies and/or New Subsidiaries to the extent these restructuring activities are not exempt or otherwise authorized by the Commission.

Guarantees

Entergy and Nonutility Companies also propose to issue guarantees or provide other forms of credit support or enhancements (collectively, "Guarantees") to or for the benefit of

Nonutility Companies in an aggregate amount not to exceed \$750 million ("Aggregate Authorization"), through December 31, 2002. Guarantees may take the form of Entergy or a Nonutility Company agreeing to guarantee, undertake reimbursement obligations, assume liabilities or other obligations with respect to or act as surety on, bonds, letters of credit, evidences of indebtedness, equity commitments, performance and other obligations undertaken by Entergy or its associate Nonutility Companies. Entergy represents that the terms and conditions of Guarantees will be established through arm's length negotiations based upon current market conditions. Entergy further undertakes that any Guarantee it or any Nonutility Company issues will be without recourse to any System Operating Company.

In determining what portion of the Aggregate Authorization is available for use, the amount of any guarantee previously issued and outstanding under the June 1995 Order will reduce Aggregate Authorization by an equal amount.¹⁵ However, the amount of any Guarantee exempt from the Act or otherwise authorized by the Commission would not reduce the Aggregate Authorization.

To the extent that Entergy provides Guarantees in support of its investment in any EWG or FUCO, the amount of the investment will be included in the calculation of "aggregate investment" required under rule 53. Moreover, to the extent that Entergy provides Guarantees in support of its investment in an ERC, the amount of the investment will be included in the calculation of "aggregate investment" required under rule 58.

O&M Subs

Entergy also proposes to organize and acquire the Capital Stock of O&M Subs through December 31, 2002. O&M Subs will be formed as domestic or foreign corporations, partnership or other entities. Following the organization of an O&M Sub, investments in O&M Subs may take the form of (i) Additional purchases of Capital Stock; (ii) capital contributions or open account advances without interest; (iii) loans; (iv) Guarantees of the securities or other obligations of an O&M Sub; or (v) any combination of (i) to (iv) above. Loans by Entergy to O&M Subs will have

¹⁵ The June 1995 Order authorizes Entergy to finance the performance of certain services and the organization of O&M Subs through purchases of common stock, capital contributions, open account advances, loans and guarantees provided by EWGs, FUCOs and other Nonutility Companies in an aggregate amount not to exceed \$350 million. This authorization expired on December 31, 1997.

interest rates and maturity dates that are designed to provide a return to Entergy of not less than Entergy's effective cost of capital. To the extent not exempt or otherwise authorized by the Commission, initial investments in the Capital Stock of O&M Subs will be included in the Aggregate Authorization.

Entergy proposes to continue to provide O&M Services,¹⁶ indirectly through one or more O&M Subs, to or for the benefit of associate and nonassociate developers, owners and operators of domestic and foreign power projects and other electric utility systems or facilities, including projects that Entergy may develop on its own, through an associate Nonutility Company, or in collaboration with third parties. O&M Subs proposes to charge fair market value for O&M Services performed. To the extent not exempt or otherwise authorized by the Commission, Entergy requests an exemption from the "at-cost" requirements of rules 90 and 91 for services rendered to associate companies, other than an Excepted Company,¹⁷ provided that no O&M Services will be rendered to an associate power project unless the project (i) is a FUCO or an EWG that derives no part of its income, directly or indirectly, from the generation and sale of electric energy within the United States; (ii) is an EWG that sells electricity at market-based rates which have been approved by the FERC or the relevant state public utility commission, provided that the purchaser is not an Excepted Company; (iii) is a "qualifying facility" ("QF") under the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA"), that sells electricity exclusively at rates negotiated at arm's length to one or more industrial or commercial customers purchasing the

electricity for their own use and not for resale, or to an electric utility company (other than an Excepted Company) at the purchaser's "avoided cost" as determined under the regulations under PURPA; or (iv) is an EWG or QF that sells electricity at rates based upon its cost of services, as approved by the FERC or any state public utility commission having jurisdiction, provided that the purchaser of the electricity is not an Excepted Company.

Securities Issuances by Nonutility Companies

Entergy requests authorization for Nonutility Companies to issue and/or sell securities of any type, including the issuance of Guarantees (collectively, "Securities"), to Entergy, to other Nonutility Companies or to nonassociate companies, including banks, insurance companies and other financial institutions from time to time through the earlier to occur of December 31, 2002 or the effective date of any rule adopted by the Commission exempting the proposed sale and issuance of Securities from the requirements of prior approval under sections 6(a) and 7 of the Act.

Equity Securities issued by a Nonutility Company may include capital shares, partnership interests, member interests in limited liability companies, trust certificates or the equivalent security under applicable foreign law. Equity Securities may be denominated in either U.S. dollars or foreign currencies. Entergy requests that the Commission reserve jurisdiction over the modification by Nonutility Companies of the terms of their charters or other governing documents to effect the issuance of equity Securities, pending completion of the record. Entergy undertakes that it will file a post-effective amendment in this proceeding describing the proposed charter modification and obtain a supplemental order of the Commission authorizing the charter modifications.

Entergy also requests that the Commission reserve jurisdiction over the issuance of any equity Securities not currently exempt under rule 52(b) or otherwise authorized by the Commission ("Other Securities"). Entergy undertakes that it will file a post-effective amendment in this proceeding describing the general terms of the proposed Other Securities and obtain a supplemental order of the Commission authorizing the issuances of Other Securities.

In connection with the issuance of debt Securities by Nonutility Companies, Entergy requests authorization for Nonutility Companies

to enter into interest rate swaps, options and similar products to mitigate interest rate risk associated with debt Securities.

Net proceeds from the issuance and sale of Securities will be used for general corporate purposes, including (1) loans to and/or equity investments in Nonutility Companies; (2) for the repayment, refinancing or redemption of outstanding securities of Entergy or Nonutility Companies originally issued for purposes of acquiring interests in Nonutility Companies or providing funds for the authorized business activities of these companies; and (3) for working capital or other cash requirements of Nonutility Companies. Entergy states that net proceeds will only be applied to finance activities that are exempt under the Act or otherwise authorized by the Commission.

Entergy undertakes that no System Operating Company will incur any indebtedness, extend any credit, or sell or pledge its assets, directly or indirectly, to or for the benefit of any Nonutility Company. Entergy further undertakes that any Securities issued by a Nonutility Company will be nonrecourse to any System Operating Company.

Services by Nonutility Companies

To the extent not exempt or otherwise authorized by the Commission, Entergy requests authorization for Nonutility Companies to provide other Nonutility Companies with administrative services ("Administrative Services"),¹⁸ to provide consulting services ("Consulting Services")¹⁹ to other Nonutility Companies and to nonassociate companies, and to engage in development activities ("Development Activities"),²⁰ all on a world-wide basis.

The Applicants state that Administrative Services, Consulting Services and Development Activities

¹⁶ O&M Services would include, but not be limited to, development, engineering, design, construction and construction management, pre-operational start-up, testing and commissioning, long-term operations and maintenance, fuel procurement, management and supervision, technical and training, administrative support, market analysis, consulting, coordination and any other managerial, technical, administrative or consulting required in connection with the business of owning or operating facilities used for the generation, transmission or distribution of electric energy (including related facilities for the production, conversion, sale or distribution of thermal energy) or coordinating their operations in the power market.

¹⁷ Excepted Companies include the System Operating Companies, System Energy Resources, Inc., System Fuels, Inc., Entergy Services, Inc., Entergy Operations, Inc. or any other subsidiary Entergy may create whose activities and operations are primarily related to the domestic sale of electric energy at retail or at wholesale or the provision of related goods or services to Entergy's affiliates.

¹⁸ Administrative Services would include, without limitation, corporate and project development and planning, management, administrative, employment, tax, legal, accounting, engineering, consulting, marketing, utility performance and electric data processing services, and intellectual property development, marketing and other support services.

¹⁹ Consulting Services would include, without limitation, providing technical capabilities and expertise primarily in the areas of electric power generation, transmission and distribution and ancillary operations.

²⁰ Development Activities would include, without limitation, investigating sites, research, engineering and licensing activities, acquiring options and rights, contract drafting and negotiation, legal, accounting and financial analysis, preparing and submitting bids and proposals, and other activities necessary to identify and analyze investment opportunities on behalf of companies in the Entergy system, excluding Excepted Companies.

would generally be performed at cost. The Applicants further state that to the extent that any Nonutility Company uses the expertise or resources of an Excepted Company in connection with the performance of Administrative Services, Consulting Services or Development Activities, such expertise or resources shall be provided in a manner consistent with the terms and conditions contained in the June 1995 Order.

To the extent not exempt or otherwise authorized by the Commission, Entergy requests an exemption from the "at cost" requirements of rules 90 and 91 for the performance of Administrative Services, Consulting Services and Development Activities by Nonutility Companies for associate Nonutility Companies, provided that no Excepted Company shall be engaged or otherwise involved, directly or indirectly, in the performance of Administrative Services, Consulting Services or Development Activities that are provided to Nonutility Companies at a price other than at cost. Nonutility Companies would continue to provide Consulting Services to nonassociate companies at market rates.

Payment of Dividends

To the extent not exempt from the Act or otherwise authorized by the Commission, Entergy requests authorization for Nonutility Companies to declare and pay dividends out of capital or unearned surplus to their immediate parent companies through December 31, 2002, subject to applicable corporate law and any applicable financing agreement which restricts distributions to shareholders.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-4204 Filed 2-18-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39647; File No. SR-DTC-97-12]

Self-Regulatory Organizations; the Depository Trust Company; Notice of Filing of Proposed Rule Change to Establish a Voluntary Redemption and Sales Service for Depository Eligible Units of Unit Investment Trusts

February 11, 1998.

Pursuant to Section 19(b)(1) of the Securities and Exchange Act of 1934

("Act"),¹ notice is hereby given that on June 27, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on January 22, 1998, amended the proposed rule change as described in Items I, II, and III below; which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change will allow DTC to establish procedures for a redemption and sales service for depository eligible unit investment trusts ("UITs") to be called the investor's voluntary redemptions and sales service ("IVORS").

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

DTC is establishing IVORS to provide its participants with a secure and efficient redemption and sales service for DTC-eligible units in UITs. IVORS will offer two basic UIT services: (1) Redemption of units with the UIT transfer agent for cash payment and (2) sale of units to the UIT sponsor for cash payment. IVORS initially will be available to eligible DTC participants by way of DTC's participant terminal system ("PTS").

IVORS will be available only if (1) the UIT units are DTC-eligible and are held in DTC's fast automated securities transfer ("FAST") system;³ (2) the FAST transfer agent currently is or agrees to become a full service DTC participant; and (3) the UIT's lead

sponsor or its clearing agent agrees to participate in IVORS as a DTC participant. When a specific UIT becomes eligible for IVORS, its FAST transfer agent will submit initial standing instructions for the UIT to an IVORS data base on PTS regarding participants' ability to redeem or to sell units through IVORS. The UIT sponsor will be able to make daily changes to those standing instructions by way of PTS. When a participant holding units in its DTC account submits a request through IVORS to surrender the units for their value, IVORS will determine which of the two basic services (*i.e.*, redemption or sale) is available for the units based on the standing instructions for the particular UIT CUSIP number in the IVORS database.

After the determination of whether to surrender the units through a redemption or sale has been made, IVORS will then process the transaction. On the date of the participant's request to surrender the units (*i.e.*, trade date or "T"), IVORS will move the surrendered units from the participant's free position to its "IVORS pending surrender segregation account." Before the end of the day on T+2, either the FAST transfer agent or the UIT sponsor will enter into IVORS the redemption price (if the units are to be redeemed) or the purchase price (if the units are to be sold) plus the accrued dividend per unit. Both redemptions and sales of units through IVORS will be settled on T+3.

IVORS automatically will calculate the settlement value of the redemption or sale and will generate a deliver order ("DO") to move the units versus payment of the settlement value from the redeeming participant's IVORS pending surrender segregation account either to the FAST transfer agent's DTC participant account (in the case of a redemption) or to the UIT sponsor's DTC participant account (in the case of a sale). If the units are being redeemed, IVORS automatically will generate a second DO to remove the units from the FAST transfer agent's DTC participant account. If the units are being sold, the units will remain in the UIT sponsor's DTC account until the UIT sponsor later delivers them to a secondary-market purchaser or redeems them by way of IVORS.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Act⁴ and the rules and regulations thereunder because it will promote efficiencies in the clearance and settlement of securities transactions.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by DTC.

³ DTC has informed the Commission that DTC-eligible UIT units usually are held in the FAST system.

⁴ 15 U.S.C. 78q-1(b)(3)(A).