

the Commission a proposed change reflecting these new features. Because these new features will not be in place until the second quarter 2000 and must be subject to notice and comment before approval, the pilot will end prior to such time periods. Nasdaq believes that the Nasdaq Application provides benefits to the market and should be allowed to continue to operate as currently operating for an additional six months to permit Nasdaq to implement the system changes that address the Commission's concerns.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>8</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national markets system, and, in general to protect investors and the public interests.

Nasdaq also believes the proposed rule change is consistent with Section 11A of the Act<sup>9</sup> in general, and Section 11A(a)(1)(A)<sup>10</sup> in particular, by promoting economically efficient execution of securities transactions, fair competition among markets, the best execution of customer orders, and an opportunity for orders to be executed without the participation of a dealer.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

Nasdaq does not believe that the proposed rule change, as amended, will result in any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others*

Nasdaq has neither solicited nor received written comments on the proposed rule change, as amended.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and Rule

19b-4(f)(6)<sup>12</sup> thereunder because the proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which the proposed rule change was filed, or such shorter time as the Commission may designate. At any time within 60 days of the filing of a rule change pursuant to Section 19(b)(3)(A) of the Act, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

The Commission finds that it is appropriate to accelerate the effective date of the proposed rule change and to permit the proposed rule change to become immediately effective because the proposed simply extends a previously approved pilot program for an additional six months. By extending the pilot program, the Commission will enable Nasdaq to continue to offer this additional trading mechanism without interruption. In addition, the Commission finds that Nasdaq provided the required pre-filing written notice of its intent to file this proposed rule change when it filed the original proposed rule change.<sup>13</sup>

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All

submissions should refer to the File No. SR-NASD-00-14 and should be submitted by May 2, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 00-8877 Filed 4-10-00; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42607; File No. SR-NASD-00-05]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Release of Disciplinary Information**

April 3, 2000

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 16, 2000, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly owned subsidiary NASD Regulation, Inc. ("NASD Regulation"), filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. The Commission is publishing this notice of the proposed rule change to solicit comments on the proposal from interested persons.

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

NASD Regulation is proposing to amend IM-8310-2 of the Association, to provide for the publication of all final, litigated decisions issued by the Office of Hearing Officers ("OHO"),<sup>3</sup> the National Adjudicatory Council ("NAC"), and the NASD Board, regardless of sanctions imposed. Below is the text of the proposed rule change. Proposed new language is in *italics*.

\* \* \* \* \*

### **IM-8310-2. Release of Disciplinary Information**

(a) through (c) No change.  
(d)(1) The Association shall release to the public information with respect to

<sup>14</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1)

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The OHO issues decisions rendered by Hearing Officers (default decisions) and Hearing Panels.

<sup>8</sup> 15 U.S.C. 78o-3(b)(6).

<sup>9</sup> 15 U.S.C. 78k-1.

<sup>10</sup> 15 U.S.C. 78k-1(a)(1)(C).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

any disciplinary decision issued pursuant to the Rule 9000 Series imposing a suspension, cancellation or expulsion of a member; or suspension or revocation of the regulation of a person associated with a member; or suspension or barring of a member or person associated with a member from association with all members; or imposition of monetary sanctions of \$10,000 or more upon a member or person associated with a member; or containing an allegation of a violation of a Designated Rule; and may also release such information with respect to any disciplinary decision or group of decisions that involve a significant policy or enforcement determination where the release of information is deemed by the President of NASD Regulation, Inc. to be in the public interest. The Association also may release to the public information with respect to any disciplinary decision issued pursuant to the Rule 8220 Series imposing a suspension or cancellation of the member or a suspension of the association of a person with a member, unless the National Adjudicatory Council determines otherwise. The National Adjudicatory Council may, in its discretion, determine to waive the requirement to release information with respect to a disciplinary decision under those extraordinary circumstances where the release of such information would violate fundamental notions of fairness or work an injustice.

The Association may release to the public information on any other final, litigated, disciplinary decision issued pursuant to the Rule 8220 Series or Rule 9000 Series, not specifically enumerated in this paragraph, regardless of sanctions imposed, so long as the names of the parties and other identifying information is redacted.

(2) No changes.

(e) through (m) No change.

\* \* \* \* \*

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

In its filing with the Commission, NASD Regulation 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. NASD Regulation 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

Some, but not all, NASD disciplinary decisions are currently available in electronic legal research databases, such as Westlaw, Lexis-Nexis, and Books on Screen. Interpretive Material 8310-2 (the "Interpretation") permits the NASD to release any disciplinary decision: (1) Imposing a suspension, cancellation or expulsion of a member; (2) imposing a suspension or revocation of the registration of any associated person; (3) imposing a suspension or barring a member or associated person from association with all members; (4) imposing monetary sanctions of \$10,000 or more on a member or associated person; (5) containing an alleged violation of a Designated Rule; or (6) deemed by the President of NASD Regulation to involve a significant policy or enforcement determination where the release of information would be in the public interest.

Disciplinary decisions provide guidance in how NASD rules are to be interpreted and enforced. The Association believes that providing vendors of legal research databases with all final, litigated decision issued by the OHO, the NAC, and the NASD Board, edited to prevent the disclosure of the identities of respondents upon whom minimal or no sanctions are imposed, is in the public interest.

Accordingly, the Association is proposing to amend the Interpretation to provide for the publication of all final, litigated decisions issued by the OHO, the NAC, and the NASD Board, regardless of sanctions imposed. However, the names of the parties and other identifying information mentioned in the decisions that do not meet the current enumerated publication criteria, as outlined in the Interpretation (and listed above), will be redacted from these decisions. Settlements, Letters of Acceptance, Waivers and Consents ("AWCs"), and Minor Rule Violation Plan letters are excluded from the proposal. This proposal will not have any impact on the information contained in or disclosed by the Central Registration Depository system.

The Association will make all decisions covered under this proposal available that were issued after August 7, 1997, the effective date of the most recent significant changes to the NASD Code of Procedure.<sup>4</sup> The Association

believes that the disciplinary decisions issued after August 7, 1997, are of special value in providing a clearer picture of the Association's current application and interpretation of its substantive and procedural rules. The Association does not believe that the benefits that would arise from publishing decisions that pre-date August 7, 1997, justify the administrative burdens that would result from having to redact the names of parties and other identifying information from these decisions.

#### 2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>5</sup> which requires, among other things, that the Association's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The NASD believes that the proposed rule change is consistent with Section 15A(b)(7) of the Act<sup>6</sup> in that it works to adequately safeguard the interests of investors while establishing fair and reasonable rules for its members and persons associated with its members. The NASD also believes that the proposed changes are consistent with Section 15A(b)(8) of the Act<sup>7</sup> in that they further the statutory goals of providing a fair procedure for disciplining members and associated persons.

### B. Self-Regulatory Organization's Statement on Burden on Competition

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

Within 35 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 90 days of such date if it finds such longer period to be appropriate and

<sup>5</sup> 15 U.S.C. 78o-3(b)(6).

<sup>6</sup> 15 U.S.C. 78o-3(b)(7).

<sup>7</sup> 15 U.S.C. 78o-3(b)(8).

<sup>4</sup> See Special NASD Notice to Members 97-55 (August 1997).

publishes its reasons for so finding or (ii) as to which the sale-regulatory organization 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, including whether the proposed rule is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-00-05 and should be submitted by May 2, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### DEPARTMENT OF COMMERCE

#### Request for Public Views

April 3, 2000.

**AGENCIES:** Office of the United States Trade Representative and Department of Commerce.

**ACTION:** Request for public views on procedures for obtaining trade policy advice from nongovernmental organizations.

**SUMMARY:** Recently the United States Trade Representative (the USTR) and the Secretary of Commerce (the

Secretary) announced a joint initiative to enhance opportunities for nongovernmental organizations to provide their views to the Administration on key trade issues. As part of that initiative USTR and Commerce are seeking comments and suggestions from the public on ways to strengthen channels of communication between these groups and the Administration on trade policy matters.

**DATES:** Written comments should be sent no later than July 10, 2000 to the Office of the United States Trade Representative at the address indicated below.

**FOR FURTHER INFORMATION:** Contact Pate Felts, Assistant USTR for Intergovernmental Affairs and Public Liaison ((202) 395-6120), or Patrick Morris, Director of the Office of Export Promotion Coordination, Department of Commerce ((202) 482-4501).

**SUPPLEMENTARY INFORMATION:** Congress and the Administration have established a variety of advisory committees from which the Executive Branch solicits and obtains advice on trade policy matters, including from environmental, labor, and consumer groups. Section 2155 of title 19, U.S. Code, establishes a three-tier trade policy advisory committee system, with one committee addressing overall policy advice, several committees providing advice on more specific policy issues, and a larger number of committees covering sectoral, technical, or functional issues.

The Administration seeks trade policy advice from environmental, labor, consumer, and other groups through three advisory committees. Specifically, the Advisory Committee for Trade Policy and Negotiations (ACTPN) provides the President and the USTR with broad advice on trade matters. The ACTPN membership is drawn from chief executive officers of agriculture, consumer, environment, industry, and labor groups. The President has also established a Trade and Environment Policy Advisory Committee (TEPAC), which primarily addresses trade and environment issues. TEPAC members are drawn from agriculture, consumer, environmental, industry, and labor groups, and from non-federal governments. A Labor Advisory Committee (LAC) provides advice on trade issues and labor. The LAC is administered by the Department of Labor and is composed exclusively of labor union representatives.

The Administration seeks trade policy advice on environmental, labor, consumer, and other issues in other ways as well. For example, in formulating specific U.S. objectives in

major trade negotiations, USTR routinely solicits written comments from the public, consults with interested constituencies, holds public hearings, and meets with a broad spectrum of non-governmental groups at their request.

On January 11, 2000, the Secretary and the USTR announced an initiative to seek views from the public on ways to enhance the effectiveness of Administration efforts to obtain advice from non-governmental organizations on important trade policy matters. Through this notice, USTR and Commerce are seeking comments from the public on changes to the advisory committee system that would help to ensure that the Administration obtains timely, relevant trade policy advice from consumer, environmental, labor, and other non-governmental organizations.

#### Public Comments

Persons wishing to submit written comments should provide twenty (20) typed copies no later than July 10, 2000 to Gloria Blue, Office of the U.S. Trade Representative, Room 122, 600 17th Street, NW., Washington, DC 20508.

Written comments submitted in connection with this request will be available for inspection in the USTR Reading Room. An appointment to review the file at USTR may be made by calling Brenda Webb (202) 395-6186. The USTR Reading Room is located at the Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC and is open to the public from 9:30 a.m. to 12 noon, and from 1 p.m. to 4 p.m., Monday through Friday.

**Pate Felts,**

*Assistant United States Trade Representative,  
Intergovernmental Affairs and Public Liaison.*

**Michael J. Copps,**

*Assistant Secretary for Trade Development,  
U.S. Department of Commerce.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Proposed Advisory Circular 25.905-X, Minimizing the Hazards From Propeller Blade and Hub Failures

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of availability of proposed Advisory Circular (AC) 25.905-X and request for comments.

<sup>8</sup> 17 CFR 200.30-3(a)(12).