

Date _____

(b) For articles imported by NASA to implement international programs of NASA to which NASA will take title, or which remain the property of foreign entities under such programs, no entry is required pursuant to U.S. note 1 to HTSUS subchapter VIII of chapter 98. For such articles, the following certification shall be used:

Articles for Use in an International Program of the National Aeronautics and Space Administration

Item 9808.00.80, Harmonized Tariff Schedule of the United States

Program: _____

Foreign Owner(s) (if applicable): _____

In accordance with subheading 9808.00.80 and U.S. note 1 to subchapter VIII of chapter 98, Harmonized Tariff Schedule of the United States, I hereby certify that the above-described shipment is being brought into the customs territory of the United States as part of an international program of the National Aeronautics and Space Administration (NASA). No CF 7501 entry is required for this shipment. All articles contained in this shipment are, and shall remain, the property of NASA or of the foreign entities identified above. Except for articles consumed in the execution of the above-described Program, none of these articles will be made available for sale or other disposition to persons or institutions not directly involved in the Program identified above.

Name _____

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(c) A blanket certificate for a series of imports under a specific NASA international program or procurement is authorized but shall require written verification by a NASA official designated by a Director of a receiving NASA Installation that the articles received meet the conditions of the certificate. The blanket certificate shall be in the form of the certifications set forth in paragraphs (a) or (b) of this section, as appropriate, but shall include the following paragraph at the end thereof:

Before this certification is used to obtain duty-free entry of these articles, a cognizant NASA official at the receiving NASA Installation, who is designated by the Installation Director, shall verify in writing that specifically identified articles to be entered on a particular date are the articles described in this certificate or its attachments. This verification and this certification shall be presented to the U.S. Customs Service at the time entry for the particular articles is sought.

Name _____

Date _____

With respect to articles represented to be: procurements by NASA; or imports to implement international programs of NASA to which NASA will take title, or

foreign-owned articles for use in a NASA international program, the NASA official issuing the blanket certificate shall review the proposed articles and approve their eligibility for duty-free entry. A description of these articles shall either be referred to in the blanket certificate and provided in Form CF 7501 (Entry Summary) for procurements or attached to the certificate for imports to implement NASA international programs, as appropriate.

§ 1217.105 Procedures.

(a) Requests for certification shall be forwarded to an appropriate NASA official or designee as provided for in § 1217.103 of this part.

(b) Each request for certification shall be accompanied by:

(1) A proposed certificate as provided for in § 1217.104 of this part;

(2) The information and documentation required by 19 CFR 10.102(a), including invoice documentation or a description of covered articles; and

(3) The anticipated date of entry of entry and port of entry for each article. If the article is to be transported in bond from the port of arrival to another port of entry in the United States, identify both ports.

(c) The signed certificate and its attachment(s) will be forwarded to the NASA Installation responsible for duty-free entry of the materials, unless issued at such Installation by an authorized official in accordance with § 1217.103(c) of this part. These documents shall be presented to an appropriated Customs official at the port(s) of entry. The procedures specified in 19 CFR 10.102 will be followed by the NASA Installation in obtaining duty-free entry at the Customs port(s) of entry. The NASA Installation should ensure that, at the time the articles are to be released after Customs entry, the custody of the imported articles is transferred directly from the carrier or from the U.S. Customs Service to the NASA Installation, its agent, or the launch service customer in the case of a Launch and Associated Services Agreement.

(d) If articles procured under contract by NASA are imported prior to compliance with these procedures and it is essential that the articles be released from Customs custody prior to such compliance, the procedures outlined in 19 CFR 10.101 may be followed by cognizant NASA officials to secure the release of the articles from Customs custody. To the extent applicable, the procedures in § 1217.105 of this part shall be followed when time permits to obtain duty-free entry for the articles released from Customs custody.

§ 1217.106 Articles brought into the United States by NASA from space.

Pursuant to U.S. note 1 subchapter VIII of chapter 98, HTSUS, articles brought into the customs territory of the United States by NASA from space shall not be considered an importation, and no certification or entry of such materials through U.S. Customs shall be required. This provision is applicable to articles brought to the U.S. from space whether or not the articles were launched into space aboard a NASA vehicle.

Daniel S. Goldin,

Administrator.

[FR Doc. 97-3415 Filed 2-11-97; 8:45 am]

BILLING CODE 7510-01-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-38246; File No. S7-30-95]

RIN 3235-AG66

Order Execution Obligations

AGENCY: Securities and Exchange Commission.

ACTION: Revised compliance dates; exemptive order.

SUMMARY: The Securities and Exchange Commission is revising the compliance dates and is providing exemptive relief to responsible brokers and dealers, electronic communications networks, exchanges, and associations with respect to certain Nasdaq securities to be phased-in under Rule 11Ac1-4 ("Limit Order Display Rule") and amendments to Rule 11Ac1-1 ("ECN Amendment") (cumulatively "Order Execution Rules").

DATES: Effective: February 5, 1997. *Compliance Dates:* Compliance with the Order Execution Rules shall continue to be required with respect to exchange-listed securities and the 50 Nasdaq securities that were phased-in on January 20, 1997. The phase-in schedule with respect to the next 100 Nasdaq securities shall be as follows: (1) 50 Nasdaq securities shall be phased-in on February 10, 1997; (2) an additional 50 Nasdaq securities shall be phased-in on February 24, 1997.

Exemptive Relief: The Commission is exempting responsible brokers and dealers, electronic communications networks, exchanges, and associations, until April 14, 1997, from the requirements of the Order Execution Rules with respect to the Nasdaq securities not phased-in under such rules as of February 24, 1997.

FOR FURTHER INFORMATION CONTACT: Betsy Prout Lefler, Special Counsel, Gail Marshall-Smith, Special Counsel, or David Oestreich, Special Counsel, (202) 942-0158, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW., Mail Stop 5-1, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

Background

On August 28, 1996, the Securities and Exchange Commission ("Commission") adopted Rule 11Ac1-4, the "Limit Order Display Rule," and amendments to Rule "Ac1-1, the "ECN Amendment," to require OTC market makers and exchange specialists to display certain customer limit orders, and to publicly disseminate the best prices that the OTC market maker or exchange specialist has placed in certain electronic communications networks ("ECNs"), or to comply indirectly with the ECN Amendment by using an ECN that furnishes the best market maker and specialist prices therein to the public quotation system.

On January 20, 1997, the Order Execution Rules became effective. As of that date, compliance with the rules became mandatory for all exchange-traded securities and 50 Nasdaq securities. Compliance with the rules for the remaining Nasdaq securities is to be completed in accordance with a schedule established by the Commission.¹ Under the previously announced schedule, compliance with the Order Handling Rules would have been required with respect to another 100 Nasdaq securities on February 7, 1997, and another 850 Nasdaq securities on February 28, 1997. In addition, on March 28, 1997, compliance would have been required with respect to all remaining Nasdaq securities under the ECN Rule, and with respect to another 1500 Nasdaq securities under the Limit Order Display Rule. Thereafter, compliance under the Limit Order Display Rule was to be phased-in over several months.

The Commission has been closely monitoring the implementation of the Order Execution Rules, and recently received two letters from representatives of numerous industry participants ("Industry Letters") requesting that the Commission adopt a more conservative schedule for implementing the Order

Execution Rules.² Accordingly, the Commission has determined that it is appropriate to modify the schedule to provide a more gradual phase-in to allow market participants more time to adapt to the Order Execution Rules.³ The new schedule is as follows: On February 10, 1997, 50 Nasdaq securities, and on February 24, 1997, an additional 50 Nasdaq securities, shall be phased-in for compliance under the Order Execution Rules.⁴ Furthermore, in response to the Industry Letters, the Commission is exempting responsible brokers and dealers, electronic communications networks, exchanges, and associations, until April 14, 1997, from the requirements of the ECN Amendment with respect to all Nasdaq securities not phased-in as of February 24, 1997, and from the requirements of the Limit Order Display Rule with respect to the 2350 Nasdaq securities that will not be phased-in as of February 24, 1997. Under the prior schedule, all Nasdaq securities would have been phased-in by March 28, 1997 for compliance with the requirements of the ECN Amendment. Likewise, 850 of these securities would have been phased-in on February 28, and another 1500 on March 28, 1997, for compliance with the Limit Order Display Rule.

The Commission believes it is imperative to continue to phase-in implementation of the Order Execution Rules with respect to additional Nasdaq securities. The Commission has granted exemptive relief to monitor operation of the rules carefully, and will develop a further phase-in schedule for the Nasdaq securities not phased-in as of February 24, 1997.

The Commission finds that the modifications of the compliance dates described above, and the exemptive relief provided herein to responsible brokers and dealers, electronic communications networks, exchanges, and associations are consistent with the

public interest, the protection of investors and the removal of impediments to and perfection of the mechanism of a national market system.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30(a)(28), (61), and (62).

Dated: February 5, 1997.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-3432 Filed 2-11-97; 8:45 am]

BILLING CODE 8010-01-M

17 CFR Part 240

[Release No. 34-38245; File No. S7-21-93]

RIN 3235-AF91

Reporting Requirements for Brokers or Dealers Under the Securities Exchange Act of 1934

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission ("Commission") is amending its broker-dealer record preservation rule to allow broker-dealers to employ, under certain conditions, electronic storage media to maintain records required to be retained. The amendments reflect a recognition of technological developments that will provide economic as well as time-saving advantages for broker-dealers by expanding the scope of recordkeeping options while at the same time continuing to require broker-dealers to maintain records in a manner that preserves their integrity. The Commission is also issuing an interpretation of its record preservation rule relating to the treatment of electronically generated communications.

EFFECTIVE DATE: The amendments become effective April 14, 1997.

FOR FURTHER INFORMATION CONTACT: Michael A. Macchiaroli, Associate Director (202/942-0132), Peter R. Geraghty, Assistant Director (202/942-0177) or Barbara A. Stettner, Staff Attorney (202/942-0734), Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW., Mail Stop 5-1, Washington, DC 20549.

SUPPLEMENTARY INFORMATION

I. Introduction

On July 9, 1993, the Commission issued a release ("Proposing Release") requesting comment on proposed amendments to its broker-dealer record

¹ See Securities Exchange Act Release Nos. 37619A (September 6, 1997) ("Adopting Release"), 37972 (November 22, 1996), 38110 (January 2, 1997), and 38139 (January 8, 1997). The Commission notes that a broker-dealer's duty of best execution discussed in the Adopting Release applies whether or not the security has been phased-in under the Order Execution Rules.

² See letter from Bernard L. Madoff, Securities Industry Association, to Richard R. Lindsey, dated January 30, 1997, and letter from John N. Tognino, Securities Traders Association, to Richard R. Lindsey, dated January 31, 1997.

³ The Commission also amended subsection (a)(25)(ii) of the Quote Rule, thereby expanding the coverage of the Quote Rule to all exchange-traded securities. Thereafter, the Commission determined that it was appropriate to make this aspect of the amendments effective April 10, 1997. See Securities Exchange Act Release No. 38110, *supra* note 1. The present order does not change that date and, therefore, the effective date of subsection (a)(25)(ii) of the Quote Rule remains April 10, 1997.

⁴ Currently, compliance with the Order Handling Rules is required for 50 of the 1000 Nasdaq securities with the highest average daily trading volume. These 50 securities have been identified by Nasdaq. Similarly, Nasdaq is to identify the next two groups of 50 stocks to be phased-in under the Order Handling Rules.