

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

1. Purpose

Pursuant to Section 17(b) of the Act,³ the Exchange administers its examination program, which requires broker-dealers designated to an SRO to be examined for compliance with applicable financial responsibility rules on a periodic basis. The Exchange conducts reviews of organizations for which the Exchange is the Designated Examining Authority. The reviews focus on an organization's compliance with applicable financial and recordkeeping requirements including net capital, books and records maintenance, Regulation T and financial reporting requirements. Effective January 1, 1995, the Phlx adopted a \$1,000 per month examination fee applicable to member and participant organizations for which the Phlx acts as a Designated Examining Authority.⁴ The fee was adopted due to the substantial expense and time involved in conducting a proper examination of the member firms.⁵

In the past, the Exchange has entered into agreements with other SROs to conduct examinations of firms that are solely members of the Phlx.⁶ The Exchange may contract with another SRO to perform an examination for various reasons, such as the location of the firm or where the type of business in which the firm is engaged may be more suited to another SRO's area of expertise. Generally, the Exchange only enters into such agreements where the firm designated to the Phlx has a retail customer base. Certain SROs have the resources and the expertise to examine firms that carry out customer accounts. Therefore, those SROs have a higher degree of experience in examination requirements pertinent to carrying customer accounts (e.g., sales practices,

reserve and possession/control requirements).

However, these arrangements typically require that the Phlx pay 2.5 times the median salary for examiners and supervisors of the contracted SRO, resulting in a significant cost to the Exchange. Therefore, in the event that the Phlx determines to refer an examination to another SRO, the proposal would allow the Exchange to collect its costs directly from the member or participant organization. Members who are required to pay the pass through costs of an examination would not be required to pay the \$1,000 examination fee charged to those members for which the Exchange conducts the examination.

2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(4)⁸ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and other persons using its facilities.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The foregoing rule change constitutes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and subparagraph (e)(2) of Rule 19b-4 thereunder.¹⁰

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such 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.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(e)(2).

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, 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx.

All submissions should refer to File No. SR-Phlx-98-11 and should be submitted by April 8, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-6976 Filed 3-17-98; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

[USCG-98-3553]

Marine Transportation System: Waterways, Ports, and Their Intermodal Connections

AGENCY: Coast Guard, DOT.

ACTION: Notice of meetings; request for comments.

SUMMARY: The Coast Guard and the Maritime Administration, together with several other federal agencies, are holding seven two-day regional listening sessions to receive information concerning the current state and future needs of the U.S. marine transportation system—the waterways, ports, and their intermodal connections. This notice announces the dates and locations of the remaining six listening sessions. These listening sessions are a first step in developing a customer-based strategy to work together to ensure waterways,

¹¹ 15 CFR 200.30-3(a)(12).

³ 15 U.S.C. § 78q(b).

⁴ See Securities Exchange Act Release No. 35091 (December 12, 1994), 59 FR 65558 (December 20, 1994) (SR-PHLX-94-66).

⁵ There are a number of exemptions to the fee including, inactive organizations, organizations that operate from the trading floors, organizations that incur Phlx or Stock Clearing Corporation transaction fees on a monthly basis and organizations affiliated with an exempt active organization. Any organization that can demonstrate that it has derived at least 25% of its revenues in a calendar quarter from floor trading activity will be deemed to be "operating from the trading floors" and therefore, is exempt from the \$1,000 per month examination fee. See Securities Exchange Act Release No. 38416 (March 18, 1997), 62 FR 14176 (March 25, 1997) (SR-PHLX-97-10).

⁶ These agreements are entered into pursuant to Rule 17d-2 under the Act. 17 CFR 240.17d-2.

ports, and their intermodal connections meet user and public expectations for the 21st century. The information provided at the regional listening sessions will be presented at a national conference in the fall of 1998.

DATES: The open forum public meetings will be held on the following dates:

Oakland, CA, April 14, 1998 from 9 a.m. to 3 p.m.

New York, NY, April 21, 1998 from 9 a.m. to 3 p.m.

Cleveland, OH, April 29, 1998 from 9 a.m. to 3 p.m.

St. Louis, MO, May 5, 1998 from 9 a.m. to 3 p.m.

Charleston, SC, May 13, 1998 from 9 a.m. to 3 p.m.

Portland, OR, May 19, 1998 from 9 a.m. to 3 p.m.

Comments must be received by the Docket Management Facility no later than June 30, 1998.

ADDRESSES: The open forum public meetings will be held at the following locations:

Oakland, CA—Port of Oakland, 2nd Floor Board Room, 320 Port of New Orleans Place, LA 70130.

New York, NY—Seamen's Church Institute, 241 Water St., New York, NY 10038.

Cleveland, OH—Windows on the River, Powerhouse-Nautica, 2000 Sycamore St., Cleveland, OH 44113.

St. Louis, MO—Robert A. Young Federal Building, 2nd Floor Auditorium, 1222 Spruce Street, St. Louis, MO 63103.

Charleston, SC—South Carolina State Ports Authority, Passenger Terminal, 186 Concord St., Charleston, SC 29413.

Portland, OR—Eastside Federal Complex Auditorium, 911 NE 11th Ave., Portland, OR 97232.

You may mail comments to the Docket Management Facility, (USCG-1998-3553), U.S. Department of Transportation (DOT), 400 Seventh Street SW., Washington, DC 20590-0001, or deliver them to room PL-401, located on the Plaza Level of the Nassif Building at the same address between 10 a.m. and 5 p.m., Monday through Friday, except holidays.

The Docket Management Facility maintains the public docket for this notice. Comments will become part of this docket and will be available for inspection or copying at room PL-401, located on the Plaza Level of the Nassif Building at the above address between 10 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may also electronically access the public docket for this notice on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: For information on the public docket, contact Carol Kelley, Coast Guard Dockets Team Leader or Paulette Twine, Chief, Documentary Services Division, U.S. Department of Transportation, telephone 202-366-9329; for information concerning the notice of meeting contact Joyce Short, U.S. Coast Guard (G-M-2), 2100 Second St., SW, Washington, DC 20593-0001, telephone 202-267-6164.

SUPPLEMENTARY INFORMATION:

Other Regional Listening Sessions

The first regional listening session was announced in the **Federal Register** (63 FR 10257). This notice announces the remaining six regional listening sessions.

Request for Comments

We encourage interested persons to participate in this information-gathering initiative by submitting written data, views, or other relevant documents. Persons submitting comments should include their names and addresses, identify this notice (USCG-1998-3553), and the reasons for each comment. Please submit all comments and attachments in an unbound format, no larger than 8½ x 11 inches, suitable for copying and electronic filing to the DOT Docket Management Facility at the address under **ADDRESSES**. If you want acknowledgment of receipt of your comments, enclose a stamped, self-addressed post card or envelope.

Comments received, whether submitted in writing to the docket, or presented during the regional listening sessions, will be considered in preparing the agenda of a national conference in the fall 1998.

Background

The marine transportation system includes waterways, ports, and their intermodal connections with highways, railways, and pipelines. The marine transportation system links the United States to overseas markets and is important to national security interests. Excluding Mexico and Canada, over 95% of U.S. foreign trade by tonnage is shipped by sea, and 14% of U.S. intercity freight is transported by water. Forecasts show that U.S. foreign ocean borne trade is expected to more than double by the year 2020; and commuter ferries, recreational boating and other recreational uses of the waterway are expected to increase, placing even greater demands on the marine transportation system.

Many federal agencies, state and local governments, port authorities, and the private sector share responsibility for

the marine transportation system. The economic, safety, and environmental implications of aging infrastructure, inadequate channels, and congested intermodal connections will become more critical as marine traffic volume increases.

To meet these challenges, the Department of Transportation is pursuing the development of a customer-based strategy, in partnership with others responsible for waterways, ports, and their intermodal connections. The strategy will be aligned with the principles of the National Performance Review, will provide better delivery of Federal services, and provide a means to improve the nation's waterways, ports, and their intermodal connections to meet user needs and public expectations for the 21st century.

The regional listening sessions will build upon information from other Department of Transportation-led outreach activities that identified issues of significance to the marine transportation system. For example, in 1997 workshops addressed the impact of larger container ships; in 1994 outreach sessions led to an action plan to improve the dredging process in the United States; and in 1993 port visits identified land-side intermodal access impediments.

The Secretary of the Department of Transportation will host a national conference in the fall of 1998. That conference will address key issues raised by the regional listening sessions and written comments. The purpose of the national conference will be to address these issues, develop solutions, and explore potential strategies to implement these solutions. The conference will also develop a vision for an improved and more cooperative approach to the delivery of Federal services.

Objective and Issues

The objective of these regional listening sessions and the request for comments is to receive information from the general public and user perspective to identify concerns about the current state and future needs of our waterways, ports, and their intermodal connections. We need to identify the most critical issues that should be addressed to meet the challenges likely to be faced by our marine transportation system. We particularly need to identify those areas where the Federal government should improve existing services or provide future assistance in addressing these issues.

We specifically are interested in information on the following questions for each component of the marine

transportation system: waterways, the ports, and their intermodal connections:

- Currently, what elements work best in your region and why?
- Currently, what are the most significant problems in your region?
- What are the obstacles to resolving these problems?
- What is your vision of a marine transportation system that will accommodate the growing and competing demands of the future?
- What changes, additions, and types of assistance are needed to achieve your vision?

Format of Regional Listening Sessions

The first day of each regional listening session will be an open forum to receive views and opinions from the public concerning the current state and future needs of our waterways, ports and their intermodal connections. Persons wishing to make oral presentations should notify the person listed under **FOR FURTHER INFORMATION CONTACT** no later than the day before the meeting. Written material may be submitted before, during, or after the meeting. Speakers are encouraged to provide a written copy of their comments since time limits may be needed to accommodate all speakers, and summary notes will be made of oral comments.

The second day of each regional listening session will be a structured focus group format. A representative cross section from the region's ports, terminals, stevedores, pilots, vessel operators, railroads, truckers, environmental community, and others will be selected to provide expert views on the current state and future needs of our marine transportation system.

A summary of each regional listening will be placed in the public docket and will be available for public review and comment.

Information on Services for Individuals With Disabilities

For information on facilities or services for individuals with disabilities or to request special assistance at the meetings, contact the person under **FOR FURTHER INFORMATION CONTACT** as soon as possible.

Dated: March 13, 1998.

Joseph J. Angelo,

Acting Assistant Commandant for Marine Safety and Environmental Protection.

[FR Doc. 98-7034 Filed 3-17-98; 8:45 am]

BILLING CODE 4910-14-U

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on Application (98-02-C-00-IAD) To Impose and Use the Revenue From a Passenger Facility Charge (PFC) at the Dulles International Airport, Chantilly, VA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of intent to rule on application.

SUMMARY: The FAA proposes to rule and invites public comment on the application to impose and use the revenue from a PFC at the Dulles International airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101-508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

DATES: Comments must be received on or before April 17, 1998.

ADDRESSES: Comments on this application may be mailed or delivered in triplicate to the FAA at the following address: Mr. Terry Page, Manager, Washington Airports District Office, 101 West Broad Street, Suite 300, Falls Church, Virginia 22046.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to Mr. James A. Wilding, General Manager of the Metropolitan Washington Airports Authority, at the following address: Metropolitan Washington Airports Authority, 44 Canal Center Plaza, Alexandria, Virginia 22314.

Air carriers and foreign air carriers may submit copies of written comments previously provided to the Metropolitan Washington Airports Authority under § 158.23 of Part 158.

FOR FURTHER INFORMATION CONTACT: Mr. Terry Page, Manager, Washington Airports District Office 101 West Broad Street, Suite 300 Falls Church, Virginia 22046. The application may be reviewed in person at this same location.

SUPPLEMENTARY INFORMATION: The FAA proposes to rule and invites public comment on the application to impose and use the revenue from a PFC at the Dulles International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101-508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

On January 22, 1998, the FAA determined that the application to impose and use the revenue from a PFC

submitted by the Metropolitan Washington Airports Authority was substantially complete within the requirements of section 158.25 of Part 158. The FAA will approve or disapprove the application, in whole or in part, no later than April 29, 1998.

The following is a brief overview of the application.

Application number: 98-02-C-00-IAD.

Level of the proposed PFC: \$3.00.

Proposed charge effective date: April 1, 2005.

Proposed charge expiration date: May 1, 2008.

Total estimated PFC revenue:

\$81,748,000.

Brief description of proposed projects:

- Construct Regional Airline Midfield Concourse
- Construct Pedestrian Connector to North Flank Garage
- Construct Outbound Baggage System in the Main
- Interim Financing Cost

Class or classes of air carriers which the public agency has requested not be required to collect PFCs: Part 135 On Demand Air Taxis filing FAA Form 1800-31.

Any person may inspect the application in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT** and at the FAA regional Airports office located at: Fitzgerald Federal Building, John F. Kennedy International Airport, Jamaica, New York, 11430.

In addition, any person may, upon request, inspect the application, notice and other documents germane to the application in person at the Metropolitan Washington Airports Authority.

Issued in Jamaica, New York on March 11, 1998.

Thomas Felix,

Planning and Programming Branch, Airports Division, Eastern Region.

[FR Doc. 98-7029 Filed 3-17-98; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on PFC Application 98-04-C-00-SEA To Impose Only, Impose and Use, and Use Only, the Revenue From a Passenger Facility Charge (PFC) at Seattle-Tacoma International Airport; Submitted by the Port of Seattle, Seattle, WA

AGENCY: Federal Aviation Administration (FAA), DOT.