

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

The Exchange believes the proposed rule change does not impose 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

The Exchange has not solicited, and does not intend to solicit, comments on the proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing rule change: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date (or such shorter time period as designated by the Commission), the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Exchange Act⁷ and Rule 19b-4(e)(6)⁸ thereunder.

A proposed rule change filed pursuant to Rule 19b-4(e)(6) normally does not become operative prior to 30 days after the date of filing. However, Rule 19b-4(e)(6)(iii)⁹ permits the Commission to designate such shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested, in order to allow the fee reduction to be available for the 1998 proxy season, that the Commission designate such shorter time period so that the proposed rule change may take effect immediately upon its filing.

The Commission finds that the proposed rule change is consistent with the protection of investors and the public interest and therefore has determined to make the proposed rule change effective immediately upon filing. The proposed rule change reduces the reimbursement fee which Exchange member organizations are entitled to receive for mailing initial proxies and annual reports. The fee reduction should benefit issuers and public investors in the form of lower

costs and expenses. The fee reduction is based upon the Exchange's experience during the pilot period and should better reflect the actual costs incurred by member organizations.

The proposed rule change also extends the expiration date of the pilot period from May 13, 1998, through July 31, 1998. The Commission recognizes that the current expiration date intersects the time period when proxy materials traditionally are distributed to shareholders. As a result, member organizations would potentially be reimbursed at two different rates—the rates established by the Previous Filing, and the rates in effect prior to the implementation of the Previous Filing (the default rates)—if the expiration date were not extended. The Commission believes such a result would be confusing and counterproductive. The Commission also believes the extension of the expiration date will enable the Exchange to evaluate the effectiveness of the reimbursement guidelines based on their application during an entire proxy season.

The Commission notes that the pilot period reimbursement guidelines were conditionally approved in the Previous Filing following a full notice and comment period. As part of its approval, the Commission carefully considered all submitted comments concerning the pilot reimbursement guidelines and their impact on affected parties. Furthermore, the Exchange provided the Commission with advance written notice of the proposed rule change and implemented changes in responses to staff comments. Therefore, the Commission believes it is reasonable that the proposed rule change become immediately effective upon the date of filing, February 12, 1998.

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.

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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-98-04 and should be submitted by March 17, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-4573 Filed 2-23-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39649; File No. SR-PCX-98-04]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. Relating to the Identification of Broker-Dealer Orders on the Options Floor

February 11, 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 January 23, 1998, the Pacific Exchange, Inc. ("PCX" or "Exchange") 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 PCX. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

PCX is proposing to amend its rules on the identification of broker-dealer orders by requiring that, if an order is for an account in which a broker-dealer has an interest, the broker-dealer status of the order must be disclosed to the trading crowd prior to execution,

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(e)(6).

⁹ 17 CFR 240.19b-4(e)(6)(iii).

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

regardless of whether the order is to be executed at the trading crowd's disseminated bid or offering price. The text of the proposed rule change is attached as Exhibit A.

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

In its filing with the Commission, PCX 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. PCX 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

Purpose

On July 21, 1994, the Commission approved an Exchange proposal to adopt new Rule 6.66(c), which currently states: "Prior to executing an order in which a broker-dealer has an interest, a member must indicate by public outcry that such order is for a broker-dealer if the order is to be executed at the trading crowd's disseminated bid or offering price. This rule applies regardless of whether such broker-dealer is an Exchange member."³ The Exchange is now proposing to expand the scope of Rule 6.66(c) by striking the words "if the order is to be executed at the trading crowd's disseminated bid or offering price" from the text of Rule 6.66(c). Accordingly, under the amended rule, prior to executing an order in which a broker-dealer has an interest, a Floor Broker would be required to indicate by public outcry that the order is for a broker-dealer.

The proposal is intended to facilitate transactions in option contracts by making the members in the trading crowd and the Order Book Official staff aware of the nature of orders being represented on the Floor, thereby assuring that broker-dealer orders will not be represented inadvertently as public customer orders. In that regard, the Exchange notes that only non-broker-dealer orders are entitled to be placed in the public limit order book and to be given priority over broker-dealer orders under certain circumstances.⁴

The Exchange further notes that only non-broker-dealers are entitled to receive a guaranteed minimum of 20 contracts at the disseminated bid or offering price.⁵

The Exchange believes the proposal will make the existing rule less complicated and easier to follow by removing the distinction between broker-dealer orders to be executed at the bid or offering price, and those that are not. In that regard, the Exchange notes that there is no such distinction applicable to Market Maker orders, the identification of which is governed by Rule 6.66(b), which requires Floor Brokers to verbally identify Market Maker orders as such prior to their execution.⁶ Thus, removing the subject distinction from Rule 6.66(c) will make the Exchange's option order disclosure rules uniform, consistent, and easier to follow.

The Exchange is also proposing to amend Rules 6.2 and 6.77 by adding certain violations of Rule 6.66(c) (as amended) to the list of those violations that may give rise to a circumstance in which two Floor Officials may nullify a transaction or adjust its terms.⁷ Specifically, such action could be taken if a Floor Broker failed to identify a broker-dealer order for 20 contracts or less. The reason for the limitation on the number of contract is that under Rule 6.86, only non-broker-dealer orders are eligible for a guaranteed execution of 20 contracts as the displayed price. If a Floor Broker does not disclose that an order for 20 contracts or less is for a broker-dealer (under the proposed rule), the numbers in the trading crowd may incorrectly assume that the order is for a public customer and provide an execution at the displayed price, without having an opportunity to update their quotes.⁸ The Exchange believes that adding this provision is simply a logical extension of Rule 6.2, Commentary .05(v), which permits two

Floor Officials to nullify, or adjust the terms of, any order executed in violation of Rule 6.86, which states that only non-broker-dealer orders are eligible for a guarantee of up to 20 option contracts at the disseminated market price.

Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act, in general, and Section 6(b)(5) of the Act, in particular, in that it is designed to facilitate transactions in securities, to promote just and equitable principles of trade, and to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose 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 on the proposed rule change were neither solicited nor received.

III. Data 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 publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will—

(A) by order approve such 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, 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

⁵ See PCX Rule 6.86(a).

⁶ Rule 6.66(b) states: "A Floor Broker holding an order for the amount of a Market Maker shall verbally identify the order as such prior to consummating a transaction, and shall, after effecting the trade, supply the name of the Market Maker concerned, by public outcry, upon the request of any member or member in the trading crowd."

⁷ Specifically, as Exhibit A indicates, the PCX proposes to move Commentary .05 from Rule 6.2 to Rule 6.77 and renumber it as Commentary .01. The existing subparagraphs will then be relettered and a new subparagraph, (f), added to address violations of Rule 6.66(c) as amended.

⁸ See PCX Rule 6.37(d) and Rule 6.37, Commentary .05 (Market Makers are required to make a market for, at a minimum, one contract for broker-dealer orders; they must also lower their bids or raise their offers if they do not satisfy an order in its entirety).

³ See Exchange Act Release No. 34426 (July 21, 1994), 59 FR 38497 (July 28, 1994) (Order approving SR-PSE-92-14).

⁴ See PCX Rules 6.52(a) and 6.75.

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, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the PCX. All submissions should refer to File No. SR-PCX-98-04 and should be submitted by March 17, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

Exhibit A—Text of the Proposed Rule Change¹⁰

¶ 4733 Admission to and Conduct on the Options Trading Floor

Rule 6.2(a)–(c)—No change.

Commentary:

.01–.04—No change.

[.05] [Moved to Rule 6.77, Com. .01.]

* * * * *

¶ 5085 Order Identification

Rule 6.66(a)–(b)—No change.

(c) Broker-Dealer Orders. Prior to executing an order in which a broker-dealer has an interest, a member must indicate by public outcry that such order is for a broker-dealer. [if the order is to be executed at the trading crowd's disseminated bid or offering price.] This rule applies regardless of whether such broker-dealer is an Exchange member.

* * * * *

¶ 5151 Contract Made on Acceptance of Bid or Offer

Rule 6.77—No change.

Commentary:

.01 Two Options Floor Officials may nullify a transaction or adjust its terms if they determine the transaction to have been in violation of any of the following:

(a) [I] Rule 6.73 (Manner of Bidding and Offering).[:]

(b) [ii] Rule 6.75 (Priority of Bids and Offers).[:]

(c) [iii] Rule 6.56 (Transactions outside the Order Book Official's Last Quoted Range).[:]

(d) [iv] Rule 6.76 (Priority on Split Price Transaction).[:]

(e) [v] Rule 6.86 (Trading Crowd Firm Dissemination Market Quotes).

(f) *Rule 6.66(c) (Failure to identify a broker-dealer order for 20 contracts or less).* [FR Doc. 98-4572 Filed 2-23-98; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Information Collection Activities: Proposed Collection Requests and Comment Requests

This notice lists information collection packages that will require submission to the Office of Management and Budget (OMB), as well as information collection packages submitted to OMB for clearance, in compliance with Public Law 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995.

I. The information collection(s) listed below require(s) extension(s) of the current OMB approval(s) or are proposed new collection(s):

1. Response to Notice of Revised Determination—0960-0347. Form SSA-765 is used by claimants to request a disability hearing and/or to submit additional information before a revised reconsideration determination is issued. The respondents are claimants who wish to file for a disability hearing in response to a notice of a revised determination for Old-Age, Survivors and Disability Insurance and Supplemental Security Income (SSI), under titles II and XVI of the Social Security Act.

Number of Respondents: 1,925.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.
Estimated Average Burden: 963 hours.

2. Notification of Projected Completion Date—0960-0429. Form SSA-891 is used by the Social Security Administration (SSA) and Disability Determination Services (DDS) components to inform the disability hearing units whenever a hearing case will not be completed and forwarded to the hearing unit as expected. This information is necessary to enable the hearing units to schedule hearings as promptly and efficiently as possible. The respondents are State DDSs and SSA components that make disability determinations for the Agency.

Number of Respondents: 100.

Frequency of Response: 1.

Average Burden Per Response: 5 minutes.

Estimated Average Burden: 8 hours.

3. Subpoena—Disability Hearing—0960-0428. The information on Form SSA-1272-U4 is used by SSA to subpoena evidence or testimony needed at disability hearings. The respondents are comprised of officers from Federal and State DDSs.

Number of Respondents: 36.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.

Estimated Average Burden: 18 hours.

4. Student's Statement Regarding Resumption of School Attendance—0960-0143. The information on Form SSA-1386 is used by SSA to verify full-time attendance at educational institutions and to determine eligibility for student benefits. The respondents are student beneficiaries currently receiving SSA benefits.

Number of Respondents: 133,000.

Frequency of Response: 1.

Average Burden Per Response: 6 minutes.

Estimated Average Burden: 13,300 hours.

5. Real Property Current Market Value Estimate—0960-0471. The information on Form SSA-2794 is used by SSA to determine the value of non-home real property owned by applicants for or recipients of SSI. The respondents are persons experienced in estimating the current market value of real property.

Number of Respondents: 5,438.

Frequency of Response: 1.

Average Burden Per Response: 20 minutes.

Estimated Average Burden: 1,813 hours.

Written comments and recommendations regarding the information collection(s) should be sent on or before April 27, 1998, directly to the SSA Reports Clearance Officer at the following address: Social Security Administration, DCFAM, Attn: Nicholas E. Tagliareni, 6401 Security Blvd., 1-A-21 Operations Bldg., Baltimore, MD 21235.

In addition to your comments on the accuracy of the agency's burden estimate, we are soliciting comments on the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

II. The information collection(s) listed below have been submitted to OMB:

1. Report by Former Representative Payee—0960-0112. SSA collects the information on Form SSA-625 when a mental facility is terminating its payee services and a successor payee is to be named. The information is needed to determine the proper disposition of any conserved funds. The respondents are State institutions or agencies which are no longer serving as representative payee for beneficiaries who are incapable of managing benefits.

Number of Respondents: 8,000.

Frequency of Response: 1.

Average Burden Per Response: 15 minutes.

⁹ 17 CFR 200.30-3(a)(12).

¹⁰ New text is italicized; deletions are bracketed.