

applicable to the NASD.<sup>8</sup> Specifically, the proposed rule change is consistent with Section 15A(b)(5)<sup>9</sup> in that the proposal should provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the Association operates or controls.

Recent technological developments have allowed vendors to provide their customers with more efficient and cost effective methods of executing securities transactions. The Commission expects that by reducing market data access fees the investor will further benefit by a reduction in costs of executing these transactions. For the investor to make sound, financial decisions, efficient and inexpensive access to market data information is vital. Thus, the Commission believes that reducing the market data fees by 50% should enhance investor access and may encourage increased investor participation in the securities markets.

Pursuant to Section 19(b)(2),<sup>10</sup> the Commission finds good cause for approving the proposed rule change, as amended, prior to the 30th day after the date of publication of notice thereof in the **Federal Register**. The Commission believes that granting accelerated approval of the proposal will allow the NASD to expeditiously implement the pilot program to reduce market data fees without any unnecessary delay and should confer a benefit upon those firms that provide real-time data to their customers and subscribers.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change, as amended, (SR-NASD-99-25) is hereby approved on an accelerated basis, for the pilot period ending April 1, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-15488 Filed 6-17-99; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41515; File No. SR-NYSE-99-20]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Examination Specifications and Content Outline for the Front Line Specialist Clerk Qualification Examination (Series 21)

June 10, 1999.

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 May 14, 1999, the New York Stock Exchange, Inc. ("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 the Exchange. 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

The Exchange has filed the Content Outline and Examination Specifications for the Front Line Specialist Clerk Qualification Examination ("Series 21").

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

In its filing with the Commission, the Exchange 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. The Exchange 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

Exchange Rule 35 requires that employees of members and member organizations must be registered with, qualified by, and approved by the Exchange prior to admittance to the Trading Floor. Currently, the registration process for Floor employees

functioning as Front Line Specialist Clerks ("FLS Clerks") primarily consists of submission of a completed Form U-4 ("Uniform Application for Securities Industry Registration or Transfer") and Fingerprints. Under a proposed interpretation to Rule 35, which has been filed separately with the Commission as a proposed rule change (SR-NYSE-99-19), these FLS Clerks will also have to be qualified by taking and passing an appropriate qualification examination and by meeting appropriate training requirements.

The Front Line Specialist Clerk Qualification Examination ("Series 21") and Content Outline were developed by the Exchange, in conjunction with a Committee of Floor representatives (members, Specialists, and FLS Clerks) in order to qualify FLS Clerks pursuant to proposed amendments to Rule 35. The Series 21 examination will ensure that FLS Clerks have the basis knowledge, skills, and abilities necessary to perform their duties, which include assisting Floor Specialists. The Series 21 examination is the second step in a program to ensure that Floor employees are appropriately qualified. The first step was implementation of the Series 25 Trading Assistant Qualification Examination.<sup>1</sup>

The Content Outline, which may be examined at the places specified in Item IV below, details the coverage of the Series 21 examination. The Series 21 examination is a 90-minute test consisting of 65 questions. A fee of \$200 will be imposed per exam administration. This fee will be the subject of a separate rule filing at a later date. Implementation of the examination is scheduled to take place 90 days after its approval by the Commission.

The requirement to take and pass the Series 21 examination in order to qualify as an FLS Clerk will apply to both current and prospective FLS Clerks. The separately-filed, proposed new interpretation to Rule 35 (SR-NYSE-99-19) will establish that individuals who are currently functioning as FLS Clerks will be required to pass the Series 21 examination within one year of its implementation. The Series 25 qualification examination is a prerequisite, but no training program will be required for these individuals since they are already acting in the capacity of FLS Clerks. Prospective FLS Clerks will be required to complete, at

<sup>8</sup> 15 U.S.C. 78o-3.

<sup>9</sup> 15 U.S.C. 78o-3(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</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>1</sup> See Securities Exchange Act Release No. 40943 (January 13, 1999), 64 FR 3330 (January 21, 1999) (SR-NYSE-98-36); Securities Exchange Act Release No. 40944 (January 13, 1999), 64 FR 3329 (January 21, 1999) (SR-NYSE-98-35).

a minimum, a six month training program upon passing the Series 25 examination in order to become eligible for the Series 21 examination. The training program will consist of "on-the-job" experience with a Specialist under a supervisory program to be determined by the Specialist. All candidates must pass the Series 21 examination before functioning as an "unsupervised" FLS Clerk, *i.e.*, functioning without the specialized supervision required during the training period.

## 2. Statutory Basis

The statutory basis for Series 21 Examination is Section 6(c)(3)(B) of the Act.<sup>3</sup> Under that Section, it is the Exchange's responsibility to prescribe standards of training, experience and competence for persons associated with Exchange members and member organizations. Pursuant to this statutory obligation, the Exchange has developed examinations that are administered to establish that persons associated with Exchange members and member organizations have attained specified levels of competence and knowledge. In addition, under Section 6(c)(3)(B), the Exchange may bar a natural person from becoming a member or person associated with a member, if such natural person does not meet such standards of training, experience and competence as are prescribed by the rules of the Exchange. Pursuant to this statutory obligation, the Exchange has developed an examination that will be administered to establish that Front Line Specialist Clerks have attained specified levels of competence and knowledge.

### *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*

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

(A) By order approve the 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 proposal 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. 20549-0609. 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 Exchange. All submissions should refer to File No. SR-NYSE-99-20 and should be submitted by July 9, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-15485 Filed 6-17-99; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41514; File No. SR-NYSE-99-19]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. To Adopt a New Interpretation to Rule 35 ("Floor Employees To Be Registered")**

June 10, 1999.

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 May 14,

<sup>4</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.

1999, the New York Stock Exchange, Inc. ("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 the Exchange. 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**

The proposed rule change consists of a new interpretation with respect to the administration of Exchange Rule 35 ("Floor Employees to be Registered"). The new interpretation prescribes the requirements for Front Line Specialist Clerks ("FLS Clerks"), which include a qualifying examination ("Series 21") for all current and prospective FLS Clerk and a supervised training period requirement which will apply only to prospective FLS Clerks.

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

In its filing with the Commission, the Exchange 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. The Exchange 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

The purpose of the proposed new interpretation to Rule 35 is to prescribe the qualification requirements (*i.e.*, training and examination) for Front Line Specialist Clerks. In addition to dictating the terms under which employees of members or member organizations may be admitted to the Exchange Trading Floor, Rule 35 mandates compliance by both employer and employee with such requirements as the Exchange may determine. The proposed interpretation to Rule 35 will require FLS Clerks to pass a new examination, developed by the Exchange in cooperation with a committee of Floor representatives (members, Specialists, and FLS Clerks) called the Front Line Specialist Clerk

<sup>3</sup> 15 U.S.C. 78f(c)(3)(B).