

control over whether claims are bifurcated.

Effective Date Provisions

The proposed amendments to Rule 3110(f) would require various changes to the customer agreements used by member firms, including adding disclosure of proposed amendments to the NASD's eligibility rule contained in a currently-pending rule filing (SR-NASD-97-44). The proposed punitive damages rule (SR-NASD-97-47) would also require changes to the customer agreements used by member firms. In order to prevent multiple amendments to customer agreements as a result of these three rule filings, the NASD has determined that these three rule filings, if approved, should take effect at the same time. In addition, the effective date of the rules must provide enough time for firms to modify their customer agreements. Therefore, the proposed amendments to Rule 3110(f) and the eligibility rule, and the proposed punitive damages rule, will become effective 120 days after final Commission action on the last of the three rule filings. The NASD will announce the effective date of the rules in a Notice to Members published prior to the effective date.

The proposed amendments to Rule 3110(f) would also provide that agreements signed before the effective date of the Rule amended would be subject to the provisions of 3110(f) in effect at the time the agreement was signed.

Restriction of Rule of Customer Account Agreements

Some members of the NASD's National Arbitration and Mediation Committee ("NAMC") expressed concern that the rule, which currently applies to all predispute arbitration clauses in any agreement between member firms and customers, could be construed to apply to agreements between a member firm and large institutional clients with whom they had face-to-face negotiations over the terms of the agreement. To address this concern, the rule would be amended to clarify that it only applies to customer accounts and not to other agreements between member firms and large institutional clients with whom they had negotiated contract terms.

2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, 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 amendments to Rule 3110(f) will serve the public interest by providing customers with more complete information about the arbitration process.

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, as amended.

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

No written comments were solicited or received with respect to the proposed rule change.

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 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 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. 20549-0609. 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-98-74 and should be submitted by December 20, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-30836 Filed 11-26-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42156, File No. SR-PHLX-99-42]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Exchange Rule 98, Emergency Committee

November 19, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder² notice is hereby given that on October 13, 1999, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") 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 proposes to amend Exchange Rule 98, *Emergency Committee* ("Emergency Committee") to update the composition of the Emergency Committee to correspond with previous revisions to the Exchange's governance structure, and to clarify that the Emergency Committee is authorized to take action if any emergency condition is created by the Year 2000 date change. The proposed rule change also deletes a provision authorizing the Emergency Committee to take action regarding CENTRAMART, an equity order entry system which is no longer used on the Exchange's equity trading floor. The text of the proposed

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

rule change is available at the PHLX and at the Commission.

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 proposed rule change updates the Emergency Committee's composition to reflect recent changes to the Exchange's governance structure. In 1997, various amendments to the Exchange's Certificate of Incorporation and By-Laws dealing with the governance structure of the Exchange were approved by the Commission.³ Among other things, a provision was added authorizing the Board of Governors to appoint a Chairman of the Board who would be the full-time, paid Chief Executive Officer of the Exchange, and the President position was eliminated.⁴ This filing conforms the membership of the PHLX's Emergency Committee to the 1997 structural amendments.

The Emergency Committee was formed in 1989,⁵ prior to the aforementioned changes to the Exchange's governance structure. Currently, Rule 98 provides that the Emergency Committee shall consist of the Chairman of the Exchange, the President of the Exchange and the Chairmen of the Floor Procedure, Options, and Foreign Currency Options Committees. The proposed rule change would replace the "Chairman of the Exchange" with the current "Chairman of the Board" designation, delete the word "President" from the rule as the

Exchange no longer has a "President"; and include the Exchange's On-Floor Vice Chairman⁶ as a member of the Emergency Committee.

Thus, under the proposed rule, the Emergency Committee would include five individuals: The Chairman of the Board of Governors; the On-floor Vice Chairman of the Board of Governors; and the Chairmen of the Floor Procedure Committee, the Options Committee, and the Foreign Currency Options Committee. The Exchange represents that replacing the President with the On-Floor Vice Chairman preserves the five-member structure of the Emergency Committee, minimizing the possibility of a tie vote on the Emergency Committee, and provides the Emergency Committee with the most qualified replacement for the President; that is, a member that can contribute direct knowledge of any potential or existing emergencies existing on the trading floor.⁷

The proposed rule change also clarifies that potential emergency conditions created by the Year 2000 date change are considered "extraordinary market or emergency conditions" warranting action by the Emergency Committee.⁸ Previously, the Exchange described "extraordinary market or emergency conditions" as, among other things, a declaration of war, a presidential assassination, an electrical blackout, or events such as the 1987 market break or other highly volatile trading conditions that require intervention for the market's continued efficient operation.⁹ The proposed rule also relates to a component of the Year 2000 contingency plan designed by the Exchange's Year 2000 Task Force.¹⁰

Finally, the proposed rule change also deletes references to CENTRAMARK, an equity order system which is no longer used on the Exchange Equity Floor.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and Section 6(b)(5),¹¹ in particular, in that it

is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest by updating the composition of the Emergency Committee to reflect the current governance structure of the Exchange, by clarifying the procedures for taking the necessary and appropriate action to respond to extraordinary market conditions or other emergencies, and by eliminating reference to a defunct Exchange trading system.

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 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 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

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 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. 20549-0609. 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

⁶ See PHLX By-law, Article IV, Section 4-2.

⁷ Letter from Richard S. Rudolph, Counsel, PHLX, to Rebekah Liu, Special Counsel, Division of Market Regulation ("Division"), SEC, dated November 16, 1999 (Amendment No. 1).

⁸ Telephone conversation between Richard S. Rudolph, Counsel, PHLX, and Mandy Cohen, Special Counsel, Division, SEC, on November 16, 1999.

⁹ Letter from William W. Uchimoto, General Counsel, PHLX, to Sharon L. Itkin, Division, SEC, dated March 15, 1989.

¹⁰ Telephone conversation between Richard S. Rudolph, Counsel, PHLX, and Rebekah Liu, Special Counsel, Division, SEC, on November 17, 1999.

¹¹ 15 U.S.C. 78f(b)(5).

³ See Securities Exchange Act Release No. 38960 (August 22, 1997), 62 FR 45904 (August 29, 1997).

⁴ *Id.* Other corresponding amendments to the By-Laws were made in connection with the 1997 changes to the Exchange's governance structure. For example, references to "President" were changed to "Chief Executive Officer" or "Chairman of the Board." See PHLX By-Law Article IV, Section 4-1 and PHLX By-Law Article V, Section 5-1.

⁵ See Securities Exchange Act Release No. 26858 (May 22, 1989), 54 FR 23007 (May 30, 1989).

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, located at the above address. 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-Phlx-99-42, and should be submitted by December 20, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-30837 Filed 11-26-99; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Privacy Act of 1974, as Amended; Computer Matching Program (SSA/ States, SDX/BENDEX Files—Match Numbers 6001, 6002, 6004)

AGENCY: Social Security Administration (SSA).

ACTION: Notice of Computer Matching Program.

SUMMARY: In accordance with the provisions of the Privacy Act, as amended, this notice announces a computer matching program that SSA plans to conduct with the States.

DATES: SSA will file a report of the subject matching program with the Committee on Governmental Affairs of the Senate; the Committee on Government Reform and Oversight of the House of Representatives; and the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB). The matching program will be effective as indicated below.

ADDRESSES: Interested parties may comment on this notice by either telefax to (410) 966-2935 or writing to the Associate Commissioner for Program Support, 4400 West High Rise Building, 6401 Security Boulevard, Baltimore, MD 21235. All comments received will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: The Associate Commissioner for Program Support as shown above.

SUPPLEMENTARY INFORMATION:

A. General

The Computer Matching and Privacy Protection Act of 1988 (Public Law (Pub. L.) 100-503), amended the Privacy Act (5 U.S.C. 552a) by establishing the conditions under which computer matching involving the Federal government could be performed and adding certain protections for individuals applying for and receiving Federal benefits. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) further amended the Privacy Act regarding protections for such individuals. The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are matched with other Federal, State, or local government records. It requires Federal agencies involved in computer matching programs to:

- (1) Negotiate written agreements with the other agency or agencies participating in the matching programs;
- (2) Obtain the Data Integrity Boards' approval of the match agreements;
- (3) Furnish detailed reports about matching programs to Congress and OMB;
- (4) Notify applicants and beneficiaries that their records are subject to matching; and
- (5) Verify match findings before reducing, suspending, terminating or denying an individual's benefits or payments.

B. SSA Computer Matches Subject to the Privacy Act

We have taken action to ensure that all of SSA's computer matching programs comply with the requirements of the Privacy Act, as amended.

Susan M. Daniels,

Deputy Commissioner for Disability and Income Security Programs.

Dated: November 9, 1999.

Notice of Computer Matching Program, Social Security Administration (SSA) with the States

A. Participating Agencies

SSA and the States.

B. Purpose of the Matching Program

Section 1137 of the Social Security Act requires individual States to have in effect an income and eligibility verification system meeting certain requirements in order to administer certain State benefit programs.

A chief purpose of this matching program is to facilitate administration of this provision. Individual agreements with the States will describe the conditions under which SSA and other States agree to disclose information to

each other relating to the eligibility for, and payment of, Social Security and supplemental security income benefits and State-administered income, food assistance, and medical assistance programs described in section 1137, including tax return information disclosed by SSA in accordance with applicable provisions of the Internal Revenue Code.

The matching program will also be used to implement provisions of Pub. L. 104-193, the Personal Responsibility and Work Reconciliation Act of 1996, involving the significance of Social Security coverage information to the eligibility of certain aliens for some Federal and State public benefits. Under this matching program, SSA will disclose certain Social Security coverage information on specific persons to States administering appropriate benefit programs.

C. Authority for Conducting the Matching Program

Sections 1106 and 1137 of the Social Security Act. Sections 402, 412, 421 and 435 of Pub. L. 104-193. Relevant provisions of the Internal Revenue Code under 26 U.S.C. 6103.

D. Categories of Records and Individuals Covered by the Match

States will provide SSA with names and other identifying information of appropriate benefit applicants or recipients. Specific information from participating States will be matched as provided in the agreement for the specific program with the following systems of records maintained by SSA:

1. SDX—Supplemental Security Income Record, SSA/OSR (09-60-0103);
2. BENDEX—Master Beneficiary Record, SSA/OSR (09-60-0090) and the Earnings Recording and Self-Employment Income System, SSA/OSR (09-60-0059);
3. EVS—Master Files of Social Security Number (SSN) Holders and SSN Applications, SSA/OSR (09-60-0058).
4. SVES—Supplemental Security Income Record, SSA/OSR (09-60-0103), Master Beneficiary Record, SSA/OSR (09-60-0090), the Earnings Recording and Self-Employment Income System, SSA/OSR (09-60-0059), and the Master Files of Social Security Number (SSN) Holders and SSN Applications, SSA/OSR (09-60-0058).
5. Quarters of Coverage Query—the Earnings Recording and Self-Employment Income System, SSA/OSR (09-60-0059), and the Master Files of Social Security Number (SSN) Holders and SSN Applications, SSA/OSR (09-60-0058).

¹² 17 CFR 200.30-3(a)(12).