

Inspection

(1) Perform a local ultrasonic inspection for cracks in the fan disk in accordance with section 2.B.(2) of the SB, if required by the wear criteria described in section 1.D.(1)(d) of the SB.

Removal

(i) Remove from service prior to further flight fan disks that do not meet the ultrasonic inspection criteria defined in paragraph 2.B.(2)(d)8*b* of the SB, and replace with a serviceable part.

(ii) Remove from service within 50 CIS, fan disks that meet the ultrasonic inspection criteria defined in paragraph 2.B.(2)(d)8*b* of the SB, if the wear measurement is greater than or equal to 5 mils.

(2) [Reserved]

(e) If the fan disk is determined to be serviceable, clean and lubricate the fan disk and fan blade using the instructions in paragraph 2.B.(2)(d)8*d* of the SB.

Definitions

(f) The category A, B, and C thrust ratings listed in paragraphs (a) through (d) of this AD are defined in chapter 05 of the CFM56-3 model series Engine Shop Manual, CFMI-TP.SM.5.

Lubricants

(g) After the effective date of this AD, the following lubricants are no longer approved for use on the CFMI CFM56-3, -3B, and -3C series engines: Sandstrom 27A, ZIP D5460, Surf-kote A 1625, Tiolube 70 and Tiolube 75/75.

Alternative Methods of Compliance

(h) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office. Operators shall submit their request through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

Note 2: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Engine Certification Office.

Ferry Flights

(i) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on February 24, 2000.

David A. Downey,

Assistant Manager, Engine and Propeller Directorate, Aircraft Certification Service.
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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 228, 229, 230, 232, 239, 240, 249, 250, 259, 260, 269, 270, and 274

[Release Nos. 33-7803; 34-42462; 35-27142; 39-2382; IC-24319 File No. S7-05-00]

RIN 3235-AH79

Rulemaking for EDGAR System

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: We are in the process of modernizing our Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. On June 28, 1999, we began accepting filings submitted to EDGAR in HyperText Markup Language as well as documents submitted in the American Standard Code for Information Interchange format. As of that date, filers have had the option to accompany their required filings with unofficial copies in Portable Document Format. We anticipate that we will implement the next stage of modernization (EDGAR Release 7.0) in late May of this year. In this release, we are proposing amendments to our rules to reflect changes to filing requirements that will occur with EDGAR Release 7.0 as well as certain other changes to clarify or update the rules. We address in today's proposed amendments the following new features: inclusion of graphic and image files in HTML filings; expanded use of hyperlinks in HTML filings; and the addition of the Internet, and removal of diskettes, as a means of transmitting filings to the EDGAR system. We also propose to eliminate the requirement for filers to submit Financial Data Schedules.

DATES: We must receive your comments on or before April 3, 2000.

ADDRESSES: Please submit three copies of your comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. You also may submit your comments electronically at the following e-mail address: rule-comments@sec.gov. Your comment letter should refer to File No. S7-05-00; include this file number in the subject line if you use e-mail. We will make comment letters available for your inspection and copying in our Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549. We also will post any electronically submitted comment letters on our Internet Web Site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT: If you have questions about the proposed rules, please contact one of the following members of our staff: in the Division of Investment Management, Ruth Armfield Sanders, Senior Special Counsel, or Shaswat K. Das, Attorney, (202) 942-0978; and in the Division of Corporation Finance, Carol P. Newman Weiss, Accountant, (202) 942-2940. If you have questions about the development of the modernized EDGAR system, please contact Richard D. Heroux, EDGAR Program Manager, (202) 942-8885, in the Office of Information Technology.

SUPPLEMENTARY INFORMATION: Today we propose amendments to the following rules relating to electronic filing on the EDGAR system: Item 601 of Regulation S-B¹ under the Securities Act of 1933 (Securities Act);² Item 601 of Regulation S-K³ under the Securities Act; Rules 110 and 483⁴ under the Securities Act; Forms S-2, S-3, and S-8⁵ under the Securities Act; Rules 11, 12, 103, 104, 105, 302, 303, 304, 311 and 501 of Regulation S-T⁶ Rule 0-2⁷ under the Exchange Act of 1934 (Exchange Act);⁸ Rule 21⁹ and Forms U5S, U-1, U-13-60 and U-3A-2¹⁰ under the Public Utility Holding Company Act of 1935 (Public Utility Act);¹¹ Rule 0-5¹² under the Trust Indenture Act of 1939 (Trust Indenture Act);¹³ Rules 8b-2, 8b-23, and 8b-32¹⁴ and Form N-SAR¹⁵ under the Investment Company Act of 1940 (Investment Company Act);¹⁶ and Form ET¹⁷ under the Securities Act, the Exchange Act, the Public Utility Act, the Trust Indenture Act, and the Investment Company Act. Today we also propose to remove the following rules from Regulation S-T: Rules 401 and 402.¹⁸

EDGAR Release 7.0 will include the following new features that we address in the amendments we propose today:

- The ability to include graphic and image files in HTML filings;

¹ 17 CFR 228.601.

² 15 U.S.C. 77a *et seq.*

³ 17 CFR 229.601.

⁴ 17 CFR 230.110 and 230.483.

⁵ 17 CFR 239.12, 239.13, and 239.16b.

⁶ 17 CFR 232.11, 232.12, 232.103, 232.104, 232.105, 232.302, 232.303, 232.304, 232.311 and 232.501.

⁷ 17 CFR 240.0-2.

⁸ 15 U.S.C. 78a, *et seq.*

⁹ 17 CFR 250.21.

¹⁰ 17 CFR 259.5a, 259.101, 259.313 and 259.402.

¹¹ 15 U.S.C. 79a, *et seq.*

¹² 17 CFR 260.0-5.

¹³ 15 U.S.C. 77sss, *et seq.*

¹⁴ 17 CFR 270.8b-2, 270.8b-23 and 270.8b-32.

¹⁵ 17 CFR 274.101.

¹⁶ 15 U.S.C. 80a-1 *et seq.*

¹⁷ 17 CFR 239.62, 249.445, 259.601, 269.6 and 274.401.

¹⁸ 17 CFR 232.401 and 232.402.

- The ability to use hyperlinks in HTML filings, including links between documents within a submission and to previously filed documents on our public web site EDGAR database at www.sec.gov;

- The addition of the Internet, and removal of diskettes, as an available means of transmitting filings to the EDGAR system;

- The removal of the requirement to submit Financial Data Schedules.

We also request comment concerning future EDGAR rulemaking projects in connection with EDGAR modernization and bringing more of our filings into the EDGAR system on a mandatory basis.

I. Modernization of EDGAR

A. Background

In 1984, we initiated the EDGAR system to automate the receipt, processing, and dissemination of documents required to be filed with us under the Securities Act, the Exchange Act, the Public Utility Act, the Trust Indenture Act, and the Investment Company Act. Since 1996, we have required all domestic public companies to make their filings electronically through the EDGAR system, absent an exemption. EDGAR filings are disseminated electronically and displayed on our web site at <http://www.sec.gov>. The EDGAR system's broad and rapid dissemination benefits the public by allowing investors and others to obtain information rapidly in electronic format. Electronic format is easy to search and lends itself readily to financial analysis, using spreadsheets and other methods.

Recent technological advances, most notably the rapidly expanding use of the Internet, have led to unprecedented changes in the means available to corporations, government agencies, and the investing public to obtain and disseminate information. Today many companies, regardless of size, make information available to the public through Internet web sites. On those sites and through links from one web site to others, individuals may obtain a vast amount of information in a matter of seconds. Advanced data presentation methods using audio, video, and graphic and image material are now available through even the most inexpensive personal computers or laptops.

Last year, we adopted rules to begin the modernization of the EDGAR system to accommodate some of the changes in technology occurring since the system was developed. On March 10, 1999, we issued a release proposing

amendments¹⁹ and, on May 17, 1999, a release adopting amendments²⁰ to our rules to reflect initial changes to filing requirements resulting from EDGAR modernization, as well as certain other changes to clarify or update the rules. On June 28, 1999, we began allowing filers to submit documents to EDGAR in HyperText Markup Language (HTML) format²¹ and to accompany their required filings with unofficial copies in Portable Document Format (PDF). Today we are proposing rule changes to implement the next stage of EDGAR modernization.

In response to our request for comments in the 1999 proposing release, we received a number of comment letters with suggestions concerning the evolving EDGAR system. Many of these comments addressed divergent concerns of filers, filing agents, disseminators, and public users of the EDGAR database. We appreciate the need to balance the competing interests of these parties in order to have a system that adequately addresses the fundamental needs of each. We have considered and will continue to consider these comments in connection with future planning for the system and rulemaking related to all stages of EDGAR modernization.²²

B. HTML/PDF Environment

The purpose of our current EDGAR contract is to modernize EDGAR over the next two years to make the system easier for filers to use and the documents more attractive and readable for the users of public information. Since June 28, 1999, filers have been able to submit most filings to us in either HTML or ASCII format. We expect that HTML will eventually replace ASCII for most filings. Also, since June 28, 1999, filers have been able to submit unofficial copies of filings in PDF. In this release, we refer to the required filings that filers must submit only in either ASCII or HTML formats as "official filings." We refer to the PDF documents as "unofficial PDF copies" because filers may *not* use them

instead of HTML or ASCII documents to meet filing requirements.

Our plan for the evolution of the EDGAR system is to continue the HTML/PDF environment. Unlike ASCII documents, HTML and PDF documents have the potential to include graphics, varied fonts, and other visual displays that filers use when they create Internet presentations or material for distribution to shareholders. Up to this point, the EDGAR system has had limited support for HTML documents. The system accepts HTML documents that contain only a limited set of tags (commands and identifying information).

In this release, we describe how the EDGAR system will change with EDGAR Release 7.0, and we propose corresponding rule changes.²³ We now propose to expand the EDGAR system so that it will be able to accept and display filings that use graphic and other visual presentations and provide links to previously filed documents appearing on our public web site EDGAR database.

We hope ultimately to enable filers to submit documents to the EDGAR system that can appear in substantially the same graphic format as those prepared by the filer for delivery to investors and the marketplace. These advances would greatly expand the amount and kinds of information that we can make available to investors and other members of the public through the EDGAR system. These advances also would ease the burden upon filers, by enabling the submission of documents to the EDGAR system in a format similar to that in which documents are presented to the public and to investors. However, as discussed below, these advances also pose significant issues concerning the rules governing documents filed with us under the EDGAR system, which we must address before these advances are implemented.

Currently, some filers use multi-media prospectuses, including videos, CD-ROMs, and streamed video or audio files that can be played over the Internet. The current EDGAR modernization contract will not accommodate these media, but we may

¹⁹ Rulemaking for EDGAR System, Release Nos. 33-7653; 34-41150; IC-23735 (Mar. 10, 1999) [64 FR 12908] (the 1999 proposing release).

²⁰ Rulemaking for EDGAR System, Release Nos. 33-7684; 34-41410; IC-23843 (May 17, 1999) [64 FR 27888] (the adopting release).

²¹ We continue to allow filers to submit documents in the text-based American Standard Code for Information Interchange (ASCII) format.

²² You may read and copy comment letters submitted in response to our 1999 proposing release in our Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549 in File No. S7-9-99. You also may read the comment letters that were submitted electronically on our web site (<http://www.sec.gov>).

²³ Before Release 7.0 in May of this year, we will revise the EDGAR Filer Manual to reflect technical changes we will implement with that release. The EDGAR Filer Manual sets forth the technical formatting requirements governing the preparation and submission of electronic filings through the EDGAR system. Filers must comply with the provisions of the Filer Manual to assure timely acceptance and processing of electronic filings. See Rule 301 of Regulation S-T [17 CFR 232.301].

consider whether to include some of these media in the future.²⁴

C. Use of HTML

We have not and are not now proposing to require the use of HTML for filings. However, we expect to require HTML for most filings in the future,²⁵ so we encourage filers to use it and gain experience with this format if they do not have it already. We are providing technical support for filers to assist them in submitting and correcting HTML documents through our filer technical support function. We request comment on how soon filers will be able to submit most documents in HTML format and whether we should exclude any specific category of documents (such as exhibits) from the HTML format requirement.

Currently, if HTML is used, each EDGAR document may consist of no more than one HTML file. In the 1999 proposing release, we requested comment on whether to allow filers to submit EDGAR documents composed of multiple linked HTML files. Some commenters were concerned about printing and downloading documents consisting of large HTML files. However, due to concerns about the order in which documents appear and are printed, we are continuing the requirement that each HTML document consist of no more than one HTML file (with associated graphics files).

Currently, filers must use a set of permissible HTML 3.2 tags in their HTML documents. As discussed below, we propose to designate a new set of permissible HTML 3.2 tags for EDGAR Release 7.0, adding tags to allow graphics and more hypertext links. Filers will be able to take advantage of the expanded tagging for graphics and hypertext links only through the use of a modernized version of EDGARLink.²⁶ These permissible tags allow for most

formatting capability while eliminating active content and certain classes of hypertext links. We plan to move to a set of permissible HTML 4.0 tags in a future EDGAR system release.

D. Use of PDF

In addition to allowing the use of HTML for filings, we permit filers to submit a single unofficial PDF copy of each document.²⁷ These copies are disseminated publicly. Unofficial PDF documents retain all the fonts, formatting, colors, images, and graphics contained in an original document. The unofficial PDF copy is optional, but the rules require that, if an unofficial PDF copy of a document is submitted, it must be substantively equivalent²⁸ to the document contained in the official filing of which it is a copy. Further, filers may not make a submission consisting solely of PDF documents; filers must include unofficial PDF copies only in submissions that contain official filings in HTML or ASCII format.

Some filers have offered to submit redlined unofficial PDF copies of their filings along with their correspondence submissions for the convenience of the staff in its review.²⁹ Currently, Rule 104³⁰ of Regulation S-T would prevent such submissions. We agree that allowing such submissions may facilitate staff review, and we propose to amend Rule 104 to provide that unofficial PDF copies in correspondence documents may differ from the contents of the associated ASCII or HTML correspondence document. This will allow filers to submit redlined copies of official filings in unofficial PDF copies of EDGAR correspondence documents without having to submit the entire official filing in the associated ASCII or HTML document. If a filer submits an unofficial PDF copy of a correspondence

document that differs from the text of the ASCII or HTML document, the text of the ASCII or HTML correspondence document should describe the content of the unofficial PDF copy. For example, the ASCII or HTML correspondence document may consist of a cover letter stating that an unofficial PDF copy of the described filing is included in the submission.

In the 1999 proposing release, we requested comment on whether we should initially impose a size limitation for unofficial PDF documents. While some commenters expressed concern about overall sizes of EDGAR submission, we do not propose a PDF size limitation at this point. However, we will consider such a limitation at a later date if it is warranted.³¹

E. Graphic and Image Material

Currently, we do not accept graphic or image material in HTML documents.³² The EDGAR system is programmed to suspend HTML submissions if they contain tags for graphic or image files. However, the optional, unofficial PDF copy of an EDGAR document may contain graphic and/or image material.

We propose to permit graphic and image material in HTML documents submitted using a modernized version of EDGARLink that we will make available with EDGAR Release 7.0.³³ However, we propose to preclude filers from using graphic or image material to submit information such as text or tables, so that users will be able to search and/or download this information into spreadsheet form.³⁴ Instead, we propose to require that filers submit such information as text in an ASCII document, or as text or an HTML table³⁵ in an HTML document.³⁶

We currently prohibit any EDGAR submission containing animated graphics (e.g., files with moving

²⁴ As noted in our release proposing rules on the regulation of securities offerings, we must consider factors such as security; development and maintenance costs; costs of database storage; how these materials should be disseminated to the public; whether investors would have as ready access to these materials as to the current electronic filings; how to meet the archival requirements for storage of these materials; wide divergence in industry standards for most multi-media formats; and how to assure that filed documents continue to be readable in the future, since applications that present these media may change or even disappear over time. See Section VII.B of "The Regulation of Securities Offerings," Securities Act Release No. 7606A (Nov. 13, 1998) [63 FR 67174].

²⁵ We plan to keep Form N-SAR and Form 13F as ASCII format submissions. Rule 105(a) [17 CFR 232.105(a)]. However, filers have the option of submitting exhibits to Form N-SAR as HTML documents.

²⁶ We discuss the modernized EDGARLink in Section I.I below.

²⁷ For example, if a filing consists of a registration statement plus five exhibits, there are six documents for EDGAR purposes. Generally, the filer may submit all of these as HTML documents, all as ASCII documents, or some as HTML and some as ASCII documents. The filer also has the option to accompany any or all of the six documents with an unofficial PDF copy. But the rules do not permit a filer to submit a single unofficial PDF copy including the registration statement and exhibits; each PDF document must reflect only one ASCII or HTML document.

²⁸ "Substantively equivalent" documents are the same in all respects except for the formatting and inclusion of graphics. This is because PDF documents may include more graphics than in the corresponding HTML document. For documents to be substantively equivalent, the text of the two documents must be identical.

²⁹ Filers would not include a redlined unofficial PDF copy of the officially filed document, since EDGAR would disseminate the PDF document with the redline codes. However, unofficial PDF copies of EDGAR correspondence (CORRESP documents) are not disseminated.

³⁰ 17 CFR 232.104.

³¹ The EDGAR Filer Manual that will accompany Release 7.0 will contain guidance on data compression, file creation, and transmission designed to limit file sizes for storage and downloading to members of the public.

³² Filers must continue to provide a fair and accurate description of the differences between a version including graphic or image material and the filed version, as required by Rule 304 of Regulations S-T [17 CFR 232.304].

³³ We discuss the modernized EDGARLink in Section I.I below.

³⁴ For example, financial statements could not be presented as graphics, since this would impair their usefulness.

³⁵ The EDGAR Filer Manual will continue to prohibit filers from including "nested tables" in their HTML documents.

³⁶ The EDGAR Filer Manual will prohibit the use of graphics as background because their use may interfere with the legibility of documents. In addition, filers should be aware that EDGAR Release 7.0 may not support the inclusion of graphics in modules and segmented filings.

corporate logos or other animation), either in any official submission or any unofficial PDF copy. We imposed this requirement due to concerns with how to capture and represent the animated graphics, which we cannot print or search, in the official filing. Since filers have not expressed strong concerns about the exclusion of animated graphics, we propose to continue to prohibit them in EDGAR documents.

We have some concerns about the potential size of data files that filers may submit in connection with graphic and image material, not only because of our own database storage needs, but also because some Internet users may encounter difficulties in downloading or viewing documents that are very large.³⁷ While we are not now proposing to impose a size limit on graphic and image files, we request comment on the circumstances and manner in which we might limit file size and the type of graphic and image materials if the need arises. For example, should we propose a limitation on the allowed size of each file or group of files, including graphic and image files, and provide EDGAR Filer Manual instructions on ways to minimize file size? Should we limit the total number of files that include graphic and/or image material?

In the 1999 proposing release, we requested comment on whether we should require graphic and image material to be included in HTML documents. One commenter believed that it would not be burdensome to require graphic information when required by the form. Another commenter believed that if graphics are created for the printed copy, they should be consistent in the HTML document.

We have considered three approaches to graphics: making their use strictly optional, requiring graphics in HTML documents whenever our rules or forms require information to be in graphic form,³⁸ or requiring graphics in HTML documents wherever the documents distributed to security holders or potential investors contain graphics. The latter approach would have the benefit of making the filed document look like the document actually used by the filer. However, such a requirement could place a burden on filers who would like to use HTML but may not have the resources to put all graphic and

image material into electronic format. This could discourage the use of HTML. Accordingly, we propose the middle ground—requiring graphics in HTML documents only in the limited instances where our rules require graphics.³⁹ We request comment on whether this approach would be burdensome and we should make graphics completely optional or, conversely, whether we should require graphics wherever presented in the distributed document.

Filers should not include non-public information in graphics files, even if the associated HTML or unofficial PDF document is non-public and will not be disseminated. This is because, due to the design of the system, EDGAR will disseminate all graphic files, whether their related document is public or non-public.⁴⁰ Of course, EDGAR will not disseminate the non-public document itself. Therefore, filers should not include graphics intended to remain non-public in their EDGAR submissions.

F. Limitation on Hypertext Links

Currently, the EDGAR system does not permit hypertext links from HTML documents to external web sites. Similarly, the system does not permit hypertext links from one HTML document to any other documents (including exhibits), regardless of whether the document is part of the same filing. Hypertext links to different sections within a single HTML document are allowed.⁴¹ A document may include a textual reference to the filer's external sites or documents but it may not include a link to such external sites or documents.⁴²

We propose to allow hypertext links to other documents within the same filing (*i.e.*, exhibits) with EDGAR Release 7.0. We also propose to permit hypertext links to documents contained in other official filings in the EDGAR database on our public web site at www.sec.gov. Filers would be able to include the expanded hyperlinking in

documents submitted to EDGAR using a modernized version of EDGARLink that we will make available with EDGAR Release 7.0.⁴³ Under our proposal, filers could, for example, link from within a document to previously filed documents that are incorporated by reference.⁴⁴ We would continue to prohibit all links outside the EDGAR database, including links to web sites.⁴⁵ We request comment on our proposal to allow these limited hypertext links.

Currently, the rules provide that, if a filer includes impermissible hyperlinks in a filing, the linked material will not become part of the official filing for purposes of determining whether the disclosure requirements are satisfied.⁴⁶ The linked material will, however, be subject to the civil liability and antifraud provisions of the federal securities laws. We propose to amend Rule 105 of Regulation S-T so that this position applies whether or not the hyperlink is permitted by our rules.

We believe that filers should not be able to use hyperlinks to satisfy the disclosure requirements of the applicable rule or schedule because then the readers of the filing might be unable to understand the content of the filing without accessing numerous hyperlinks. In addition, they would not be able to print the filing as an integrated whole. Many of our forms and schedules permit incorporation by reference, but we do not believe it would be appropriate for a filer to use hyperlinks to effectively use incorporation by reference when that is not permitted. For example, in a Form S-1 registration statement, a filer might wish to use hyperlinks from the prospectus to the company's previous Exchange Act reports. This would be optional information for the convenience of the reader. The filer

⁴³ We discuss the modernized EDGARLink in Section I.I below.

⁴⁴ See Rule 105 of Regulation S-T [17 CFR 232.105]. Of course, filers should use hyperlinks consistently with the requirements for plain English. They should not use linked material as a substitute for information that needs to be in the document to make it readable. In addition, filers should keep in mind that a person who prints out the filed document will not also receive the linked material. Similarly, a database search on the filed document will not necessarily yield any results covering the linked material.

⁴⁵ However, filers may continue to include (non-active) textual references to electronic addresses (URLs) in their documents.

⁴⁶ The rule provides that information contained in the linked material is not part of the official filing for reporting purposes in order to prevent a filing from being considered complete when the entire content of the filing is not available without reference to another document. This provision should not, however, be viewed as a statement that linked material is not considered to be part of the filed document for other purposes.

³⁷ As noted in footnote 31 above, the EDGAR Filer Manual will give guidance on voluntary methods to reduce the size of graphics.

³⁸ See, *e.g.*, the performance line graph required by Item 402(l) of Regulation S-K [17 CFR 229.402(l)] and the performance graph required for investment companies by Item 5 of Form N-1A [17 CFR 239.15A and 274.11A].

³⁹ Rule 304 of Regulation S-T [17 CFR 232.304] will continue to require the description of the differences between the filed version and other versions of the material. The filer would need to include the description only if the filer did not reproduce the graphics in the HTML document.

⁴⁰ For example, EDGAR "CORRESP" and "COVER" documents are non-public and are not disseminated. However, EDGAR will disseminate graphics files associated with these document types.

⁴¹ For example, companies may include a prospectus table of contents containing links to the various sections of the prospectus.

⁴² It is the staff's position that such a reference will not be deemed to incorporate the material by reference into the filing. See *ITT Corp.* (Dec. 6, 1996) and *Baltimore Gas & Electric Co.* (Jan. 6, 1997).

could not, however, delete the business and financial information from the body of the prospectus because it was also provided in a hyperlinked Exchange Act report.

In addition, we believe it is appropriate for filers to assume liability for hyperlinked material as if it is part of the filing. In other electronic contexts, there may be circumstances that call into question the intended purpose or reasonable interpretation of including a particular hyperlink in a document. In the context of an official filing made to the EDGAR system, however, we believe members of the public coming to the SEC's web site will reasonably understand the inclusion of a hyperlink to mean that the filer has adopted the linked material as its own. Rule 105 would reflect this position.

We do not believe this liability treatment should present any problems for filers. The use of hyperlinks in filed documents would remain voluntary, and a filer need not hyperlink to other documents if it does not wish to be understood as adopting the linked material as its own. In addition, the only hyperlinks that the rule would permit would be to exhibits to the same filing, or to previous filings in the EDGAR database on our web site. We would caution filers, however, not to include these hyperlinks unless they are prepared to accept this responsibility.

Although the liability treatment of hyperlinks under the proposed rule is similar to the legal effect of incorporation by reference, we emphasize that hyperlinks are not a substitute for incorporation by reference. As noted above, filers may not use hyperlinks to furnish information required in the filed document when incorporation by reference is not available. Conversely, when the form or rule makes incorporation by reference available, the filer must follow the form or rule requirements. A hyperlink alone will not satisfy those requirements.⁴⁷

The proposed rule would not prevent a filer from including a hyperlink to a document filed by another issuer, which might include an affiliate or guarantor, subject to the same liability treatment. We request comment on whether filers would wish to include hyperlinks to filings of other companies, and under

what circumstances. If filers would wish to do so, would the proposed treatment be appropriate? Should the rule permit hyperlinks to filings by the same company only, or by the same company and affiliated companies only?

We ask commenters to address the proposed treatment of hyperlinks and whether there is any need to modify either the disclosure or liability provisions. Please note that these proposals address the status of hyperlinks in EDGAR filings only, not in other contexts such as hyperlinks in documents on filers' own web sites. We are considering issuing separate guidance that may address some of these issues.

We solicit comment on two other aspects of the proposed treatment of hyperlinks. First, how should we treat hyperlinks within hyperlinks? For example, Company A's registration statement has a hyperlink to its Form 10-K, which in turn has a hyperlink to its proxy statement. We believe that Company A should be viewed as making all the hyperlinked material its own, including the proxy statement. Is there any reason to exclude material in second-level (and beyond) hyperlinks?

Second, we solicit comment on the treatment of amended or superseded material in hyperlinks.⁴⁸ If a hyperlinked document is corrected or updated by means of a new filing, the document containing the hyperlink also may have to be amended. Otherwise, the hyperlink will be to the wrong document. For example, suppose a registration statement contains a hyperlink to a Form 10-K that is later amended to reflect a material change. The registration statement would have to be amended to include a hyperlink to the amended Form 10-K.⁴⁹ This would be necessary whether the hyperlinked document is filed by the same issuer or another issuer. Should this be a pre- or post-effective amendment, or should this be permitted in a prospectus filing under Rule 424⁵⁰ or 497⁵¹ if the hyperlink was contained in the prospectus.

Currently, we maintain filing information on the EDGAR database on our public web site dating from 1994. While we have no current plans to remove data from this database, we anticipate that, in the future, we will periodically need to archive portions of

the data. Therefore, filers should be aware that we cannot assure the maintenance of the linked material, since we do not know how long we will be able to maintain all of the EDGAR data on our web site.

We recognize that use of hypertext links to external web sites may enhance filers' ability to present information as well as the public's ability to access information. As noted above, we do not propose to permit such external hypertext links. Links or references in an EDGAR filing to such external sites present significant issues concerning what constitutes an "official filing" submitted to and accepted by us. With paper filings, or even text-based ASCII filings, an "official filing" is encompassed entirely within the four corners of the text documents submitted to us by the filer, as well as specific documents incorporated by reference, and is thus easily identifiable. If we were to permit documents submitted to us in HTML format to include links to web sites or other documents that reside outside the EDGAR database on our public web site, the content of these web sites or documents could change on a regular basis, even after the "official filing" was received by us. As a result, someone trying to determine the content of the "official filing" at a later date would not necessarily be able to re-create the document as it was originally filed.

This also raises issues concerning the extent to which filers' use of such external links (if we were to permit such links) could lead to liability under the securities laws. We request comment on whether filers, investors or others believe the benefits of allowing external hypertext links to other documents or web sites would outweigh these concerns. We request comment on the impact of such links on the definition of an official filing for regulatory and liability purposes, as well as the impact on automated analysis systems used by the processors and disseminators of EDGAR data. We also request comment on what we should accept as an official filing and on possible methods of archiving the official filing if we were to permit such external links.

G. Prohibition Against Electronic Submissions Containing Executable Code

Our planning for the modernized EDGAR system is designed to minimize security risks. Accordingly, Rule 106⁵² of Regulation S-T prohibits any EDGAR submission containing executable

⁴⁷ For example, the filing must contain a statement that the document is incorporated by reference, whether or not there is a hyperlink. As another example, Form 10-K may incorporate financial and other information from a company's annual report to security holders, so long as the information is filed as an exhibit to the Form 10-K. This exhibit is needed even if the information also is provided by hyperlink.

⁴⁸ Cf. Rule 412 [17 CFR 230.412], which addresses amended or superseded material incorporated by reference into a Securities Act registration statement or prospectus.

⁴⁹ Of course, this would be necessary only during the pendency of the offering.

⁵⁰ 17 CFR 230.424.

⁵¹ 17 CFR 230.497.

⁵² 17 CFR 232.106.

code,⁵³ either in any HTML or ASCII document or any unofficial PDF copy, at any time. "Executable code" includes, but is not limited to, disruptive code.⁵⁴ This requirement is necessary to protect the integrity of the EDGAR system and database, by reducing the possibility of unauthorized access to sensitive information, and to reduce the possibility of introducing viruses or other destructive applications into the EDGAR system (and to any disseminator receiving data from the EDGAR system). A number of commenters supported the continuation of this prohibition. We propose to continue to prohibit the submission of all executable code.

We propose to continue, in general, suspending any attempted submission that our staff determines contains executable code.⁵⁵ We have programmed the EDGAR system to detect and prohibit acceptance of such code during acceptance processing. If a submission is accepted, and our staff later determines that the accepted submission contains executable code, our staff may delete any document contained in the electronic submission from the EDGAR system and direct the electronic filer to resubmit electronically replacement documents for all or selected documents deleted from the submission. We are aware that suspending acceptance of a filing, or deleting it from the EDGAR database, could have significant consequences to the filer, such as causing a filing to miss its due date or preventing a time-sensitive filing from moving forward. Nevertheless, we need to continue to take whatever steps are necessary to address potential security problems.

⁵³ Executable code is defined as instructions to a computer to carry out operations that use features beyond the viewer's, reader's, or Internet browser's native ability to interpret and display HTML, PDF, and static graphic files. Such code may be in binary (machine language) or in script form. See Rule 11 of Regulation S-T [17 CFR 232.11]. Thus, scripting languages, such as JavaScript and similar scripting languages, fall into this class of executable code, as does Java, ActiveX, Postscript, and any other programming language.

⁵⁴ The term "disruptive code" means any active content or other executable code, or any program or set of electronic computer instructions inserted into a computer, operating system, or program that replicates itself or that actually or potentially modifies or in any way alters, damages, destroys or disrupts the file content or the operation of any computer, computer file, computer database, computer system, computer network or software, or as otherwise set forth in the EDGAR Filer Manual. A violation of this provision or the relevant provision of the EDGAR Filer Manual also may be a violation of the Computer Fraud and Abuse Act of 1986, as amended, and other statutes and laws.

⁵⁵ If the executable code is contained only in one or more PDF documents, we will accept the submission but not the PDF document(s).

H. Method of Electronic Transmission

Currently, electronic filers may make electronic submissions either as direct transmissions or on magnetic tape or diskette.⁵⁶ As discussed below, we are adding transmission via the Internet as a mode of electronic submission and changing the mode of acceptable transmission from "magnetic tape" to "magnetic cartridge." We also propose to remove diskettes as an allowed means of transmission.

Direct Transmission via Dial-Up Modem and Internet

Most filers currently make EDGAR submissions by using a dial-up modem process, with or without the use of EDGARLink,⁵⁷ directly to EDGAR or through the EDGAR electronic mail service to EDGAR. Modem technology continues to advance. The current transmission speeds that are predominantly in use for EDGAR are 14.4 kbps and 56 kbps. In 1998, the EDGAR system discontinued support for 1200 bps modems. We are now considering discontinuing support for 9600 bps modems, either in connection with EDGAR Release 7.0 or at a later time. We request comment on the impact, if any, of this proposed change.

With EDGAR Release 7.0, filers also will be able to make EDGAR filings through Internet-based technology via an Internet Service Provider (ISP) of their choice. We are revising EDGARLink to support Internet-based filing. We will provide security by Secure Socket Layer (SSL, *i.e.*, encrypted transmissions) and certificates.⁵⁸

In the 1999 proposing release, we requested comment on whether we should propose to allow or to require filers to acquire and present client side certificates from one for more vendors that we designate. We received several comments urging us not to require client side certificates; commenters believed that SSL would provide adequate security. One commenter stated that requiring client side certificates might lead to unanticipated difficulties when filers needed to make filings quickly. This commenter emphasized that security features should always be balanced against the impact the features will have on system users. We agree with the commenters; we will not

⁵⁶ See Rules 12(b) and 12(c) of Regulation S-T [17 CFR 232.12(b) and 232.12(c)].

⁵⁷ EDGARLink is the filer assistance software we provide to filers filing on the EDGAR system. See Section I.I below for a discussion of modernized EDGARLink.

⁵⁸ The EDGAR Filer Manual will set forth the detailed specifications for and guidance on obtaining certificates.

require but will permit optional client side certificates. Filers may wish to use client side certificates for the additional security benefits they bring to filers and their transmissions (such as security of transmission to us and from us to disseminators and authentication of the document source).

Magnetic Tape

Currently, filers may submit their EDGAR filings by magnetic tape.⁵⁹ In keeping with changing technological standards, we are changing this method of transmission from the current 9 track magnetic tape format to the following formats: 4mm, 8mm, and .5 inch IBM-compatible 3480 magnetic tape cartridges.⁶⁰ We request comment on the impact, if any, of this proposed change.

Diskettes

Diskette filings often present formatting difficulties,⁶¹ and the percentage of filers using diskettes is minimal, approximately one percent. As the EDGAR modernization effort continues, we believe we should discontinue acceptance of electronic submissions on diskettes. In the 1999 proposing release, we requested comment on whether diskettes remain useful for certain types of filings and whether we should continue to permit them. We received one comment in response to this request; that commenter believed there was no reason to continue accepting diskettes. We propose to eliminate diskettes as a transmission medium.⁶² We request comment on whether there is any category of filers who would be unduly burdened if we eliminate filers' ability to file on diskette.

I. Modernized EDGARLink

We will provide filers a new, easier to use EDGARLink product for gathering and transmitting documents to the EDGAR system. We will continue to have the existing DOS-based EDGARLink available concurrently for approximately six months. We anticipate that the new EDGARLink will work more easily under Windows

⁵⁹ See Rule 12(b) of Regulation S-T [17 CFR 232.12(b)].

⁶⁰ See proposed related amendments to Securities Act Rule 110 [17 CFR 230.110], Rules 12 and 103 of Regulation S-T [17 CFR 232.12 and 232.103], Exchange Act Rule 0-2 [17b CFR 240.0-2], Public Utility Act Rule 21 [17 CFR 250.21], and Trust Indenture Act Rule 0-5 [17 CFR 260.0-5].

⁶¹ The EDGAR system will not accept diskette filings with formatting errors. The process of notifying the filer of the errors and having the filer correct and resubmit the diskette may result in long delays before EDGAR accepts the filing.

⁶² *Id.*

operating system environments. We request comment on the burden to filers, if any, of our discontinuing support for the existing DOS-based EDGARLink six months after we make available the new EDGARLink. Filers must use the new EDGARLink if they wish to include graphics and hyperlinks in their HTML documents (except for hyperlinks within the same document).

The new EDGARLink will allow filers to use predefined templates to fill in required submission "header" data. We will integrate the electronic templates with the two most popular Internet browsers in the market today, Internet Explorer and Netscape Navigator (versions 3 and higher). Filers may use these integrated browsers to transmit their filings to EDGAR using the Internet. The interface to the user will be the browser, so many of the functions in the browser interface that filers use currently to traverse the Internet will be familiar under the new EDGARLink.

We will not distribute the new EDGARLink by diskette. We will make it downloadable from the EDGAR web site. The filer will have the choice of downloading all of the submission header templates for all of our forms and filings or just the submission header template that they need for a particular filing. This should save time in downloading submission header templates and ensure that the filer is downloading the most recent template.

The new EDGARLink will perform the same function of assisting filers with building the header, attaching documents to the header, checking for errors, and transmitting the documents to us. The new EDGARLink will not use the current tagging structure for submission headers. Instead, it will have clear, plain English labels on fields. The filer will bring up the correct submission header template and begin filling in the fields similar to the way data input is performed on many web sites on the Internet. The new submission header templates will be able to validate some fields as soon as the information is entered, so filers will not have to wait until they validate their filing to see errors in the submission header. The submission header template will also allow filers to attach their documents directly to the template. Once the submission header template is complete and the documents are attached, filers may use the browser-like buttons at the top of the screen to validate the submission header template and the attached documents. Filers may then use another button at the top of the screen to transmit the submission header template and attached documents to us.

The filer will correct any errors detected in the submission header template during the validation phase through the new EDGARLink software. During the validation phase, filers will correct any errors they detect in the documents using their own word processing software package, which they may invoke easily from the submission header template. Filers should review their submissions carefully before transmission, since, once the submissions are accepted, EDGAR disseminates filings almost instantaneously.

J. HTML Standard; Tag Set

To maximize the likelihood of consistent document appearance across different browsers, we adopted HTML 3.2 as the required standard for HTML documents. In addition to using HTML 3.2 as the standard, we adopted a set of permissible HTML 3.2 tags for use in HTML documents. For EDGAR Release 7.0, we are changing the standard for use with the modernized version of EDGARLink⁶³ to a further modified version of HTML 3.2 that adds tags needed for graphics and more hypertext links. This should allow for most formatting capability while eliminating active content and certain classes of hypertext links.⁶⁴ The tentative list of these tags, which will be included in the EDGAR Filer Manual and updated from time to time, appears in Appendix A to this release.⁶⁵ The EDGAR system will continue to suspend filings if they contain tags that are not permitted. We request comment on the proposed tag set, including whether we should permit, require, or prohibit any particular tag.

K. Financial Data Schedules

Filers currently submit Financial Data Schedules (FDSs) as exhibits to many of our required forms. Filers extract the FDS information from financial statements and other sources in their filings. The primary purpose of this requirement is to provide tagged financial information that the staff can use for screening filings, ratio computation and other analysis. As part of the EDGAR modernization effort, we have explored alternative means of acquiring this financial information, such as through outside data sources. We propose to relieve filers of the requirement to prepare and submit FDSs

and to remove the requirement for Financial Data Schedules from all rules and forms. We request comment, however, on whether FDS data is useful to the public and whether we should continue to require filers to submit FDSs with any filing.

With respect to investment companies, one commenter suggested that we incorporate certain information currently contained in the financial data schedule submitted with Form N-SAR into the Form N-SAR itself. We believe this data may be valuable in connection with the analysis of the other information collected in the Form N-SAR. Therefore, we request comment on whether we should retain the FDS requirement for Form N-SAR for the time being but, in future rulemaking, consider removing the FDS requirement and instead incorporating the FDS information into the Form N-SAR itself.

L. Possible Future Rulemaking Projects

As the use of electronic databases grows, it becomes increasingly important for members of the public to have electronic access to our filings. According, we are contemplating future rulemaking to bring more of our filings into the EDGAR system on a mandatory basis. For example, we anticipate that we will propose to make Forms 3, 4 and 5⁶⁶ under Section 16⁶⁷ of the Exchange Act and Form 144⁶⁸ (notices of securities sales filed pursuant to Rule 144⁶⁹) mandated EDGAR filings. Also, we are considering proposing to require that foreign private issuers make their filings with us on the EDGAR system.⁷⁰ We request comment on these future projects as well as whether we should require other filings to be mandated EDGAR filings. For example, should we mandate, or at least permit, the electronic submission of filings relating to offerings exempt from registration under the Securities Act, including filings made pursuant to Regulation A,⁷¹ Regulation D⁷² and Regulation E⁷³? Should we mandate that investment companies submit their exemptive applications electronically? We also are considering whether to allow or require securities exchanges to file on the EDGAR system. We request comment on whether we should allow or require these entities to file electronically their

⁶⁶ 17 CFR 249.103, 249.104, and 249.105.

⁶⁷ 15 U.S.C. 78p.

⁶⁸ 17 CFR 239.144.

⁶⁹ 17 CFR 230.144.

⁷⁰ Currently, filers may submit Forms 3, 4, 5 and 144 and most of the foreign private issuer forms on EDGAR on a voluntary basis.

⁷¹ 17 CFR 230.251-230.263.

⁷² 17 CFR 230.501-230.506.

⁷³ 17 CFR 230.601-230.610a.

⁶³ See Section I.I above.

⁶⁴ The modified 3.2 tag set will not include proprietary extensions that are not supported by all browsers.

⁶⁵ The permitted tag set will continue to evolve over time to accommodate the industry standard and needs of filers.

certifications for listing and trading on the exchanges, and Form 25 under the Exchange Act,⁷⁴ electronically on the EDGAR system.

Also, we request comment on the following issues in connection with future rulemaking for modernization of the EDGAR system:

EDGAR Tags

Currently, EDGAR submissions include Standard Generalized Mark Up Language (SGML) tagging. In the 1999 proposing release, we requested comment on the use of eXtensible Markup Language (XML) for EDGAR tagging, particularly for EDGAR submission header tags. No commenter objected to the use of XML tagging, and commenters agreed that XML tagging would be useful and potentially a very powerful tool for tagging information within the body of an EDGAR document. We are moving toward XML tagging of submission header information in Release 7.0. EDGARLink users will not notice the XML tagging, since they will enter their submission header information using an input screen that does not contain tags. EDGARLink will create and transmit to EDGAR the XML tagged submission.

We again request comment on the use of XML tagging for marking certain information within the body of an EDGAR document, as discussed below. We request comment on the impact of our requiring, where applicable, that filers provide XML tagging of the following information within the body of EDGAR documents: fee-related data; for investment companies, identification of individual series (portfolios) and classes; and, for insurance products, identification of separate accounts.

Investment Companies and Insurance Products—Multiple “Primary” EDGAR Documents

Open-end management investment companies (mutual funds) and variable insurance products frequently make submissions with one “primary” EDGAR document that consists of many separate documents for distribution to shareholders. For example, the primary EDGAR document for an initial registration statement or amendment (e.g., EDGAR document type 485APOS) may contain many separate prospectuses and statements of additional information. A single shareholder report EDGAR document (N-30D) may contain the shareholder reports for a number of different portfolios within the same mutual fund or insurance product registrant. We

request comment on whether, for these registrants, requiring the current primary EDGAR document to continue to be comprised of no more than one HTML file would be cumbersome for filers to submit and for the public to use. We request comment on whether we should accommodate the special circumstances of mutual fund and insurance product filers by allowing or requiring these filers to include multiple primary EDGAR documents in certain EDGAR submission types (for example, N-1A, N-14AE, 485APOS, 497, or N-30D).

II. Rule Amendments in Connection with EDGAR Release 7.0

We propose to amend certain rules and regulations, which we discuss below, in connection with EDGAR Release 7.0. We request comment on our proposed amendments and on whether we should amend any other rules and regulations under the securities laws. Most of our proposed amendments are to the provisions of Regulation S-T, which governs the preparation and submission of electronic filings to us, as described below in connection with the expanded features for HTML documents.

Rule 11—*Definition of Terms used in Part 232*. Rule 11 contains definitions used in Regulation S-T. We propose to amend the definition of “official filing.” Currently, the definition of the term “official filing” is any filing that is received and accepted by the Commission, regardless of filing medium.⁷⁵ The current definition resulted from amendments we made to reflect revised records retention practices.⁷⁶ Before those amendments, Rule 11 made clear that an “official filing” was a document filed with us exclusive of header information, tags and any other technical information required in an electronic filing.⁷⁷ We propose to revise the definition to restore this language.

We also propose to remove from Rule 11 the definition of “phase-in date,” since we have completed phase-in to mandated electronic filing and the term is no longer used in the rules.

Rules 12 and 103—*Business hours of the Commission; Liability for transmission errors or omissions in documents filed via EDGAR*. Paragraph (b) of Rule 12 and Rule 103 refer to the

submission of electronic filings on magnetic tape or diskette. We propose to revise paragraph (b) of Rule 12 to refer to transmission by magnetic cartridge rather than magnetic tape and to remove the references to diskettes, since we propose to discontinue accepting filings on them⁷⁸ and to revise the language of paragraph (c) of Rule 12 to allow for direct transmissions via Internet. We also propose to remove the reference to method of transmission from Rule 103, since the rule covers transmission by any acceptable method.

Rule 104—*Unofficial PDF Copies Included in an Electronic Submission*. Rule 104 provides that an electronic submission may include one unofficial PDF copy of each electronic document contained within an electronic submission.⁷⁹ Each unofficial PDF copy must be substantively equivalent to its associated ASCII or HTML document contained in the submission. Several commenters suggested that filers may wish to submit redlined courtesy copies of filings as unofficial PDF copies of correspondence documents. As discussed above in Part I.D, we propose to relax the substantively equivalent requirement in connection with non-public correspondence submissions consisting of redlined copies of filings. We solicit comment on whether we should remove this requirement for all unofficial PDF correspondence documents instead of only those consisting of a redlined copy of a filing.

Rule 104 currently makes it clear that an unofficial PDF copy may contain graphic and image material even though its ASCII or HTML counterpart may not contain such material.⁸⁰ We propose to revise the rule to reflect the fact that, with EDGAR Release 7.0, the HTML counterpart might also contain graphic material.

Rule 105—*Limitation on Use of HTML Documents and Unofficial PDF Copies; Use of Hypertext Links*. Rule 105 currently provides that filers may not submit Financial Data Schedules as HTML documents. We propose to remove this language, since we will no longer require filers to submit FDSs.

Rule 105 currently prohibits electronic filers from including in HTML documents hypertext links to sites or documents outside the HTML

⁷⁸ We also propose to revise the following rules to change the reference from magnetic tape to magnetic cartridge and to remove the reference to diskettes: Securities Act Rule 110, Exchange Act Rule 0-2, Public Utility Act Rule 21, and Trust Indenture Act Rule 0-5.

⁷⁹ Rule 104(a) [17 CFR 232.104(a)]. This rule also permits the filer to submit an unofficial PDF copy of correspondence or a cover letter document.

⁸⁰ Rule 104(b) [17 CFR 323.104(b)].

⁷⁴ 17 CFR 249.25.

⁷⁵ Rule 11 of Regulation S-T [17 CFR 232.11].

⁷⁶ See Release No. 33-7427; 34-38798; 39-2355; IC-22730 (July 1, 1997) [62 FR 36450] (removing the reference to microfiche to reflect new practice of allowing for storage of documents in a variety of media).

⁷⁷ See Release No. 33-6977 (Feb. 23, 1993) [58 FR 14628].

document.⁸¹ However, the rule allows electronic filers to include hypertext links to different sections within a single HTML document. We propose to amend the rule so that, with EDGAR Release 7.0, filers may link to other documents within the same submission as well as to other documents previously filed electronically that are on our public web site EDGAR database at www.sec.gov. The EDGAR system will suspend filings if they contain external links other than discussed above.

The proposed rule would not permit filers to link to an unofficial PDF copy of a filing, since the PDF copy is not an official filing. We request comment, however, on whether we should permit filers to link to unofficial PDF copies.

Currently, Rule 105 provides that, if an accepted filing includes external links in contravention of our rules, we will not consider information contained in the linked material to be part of the official filing for determining compliance with reporting obligations, but such information will be subject to the civil liability and anti-fraud provisions of the federal securities laws.⁸² As discussed above in Part I.F, we propose to revise the rule so that it applies to all linked material, whether included in accordance with (or in contravention of) our rules.

Rule 302—Signatures. Rule 302 currently provides that required signatures to or within electronic documents must be in typed form. We propose to amend the rule to allow signatures that are not required to appear as script in HTML documents, since we propose to permit graphic and image material.⁸³ Some commenters believed that we also should accept required signatures as script in HTML documents. However, we propose to retain the rule that required signatures be typed to ensure legibility of these signatures.

Rule 303—Incorporation by reference. Paragraph (a)(4) of Rule 303 currently prohibits the incorporation by reference of Financial Data Schedules submitted under Rule 483. We are proposing to remove this provision, since we propose to no longer require FDSs.

Rule 304—Graphic, Image, Audio and Video Material. Currently, Rule 304 prohibits the inclusion of graphic, image, audio or video material in an EDGAR document. We propose to revise Rule 304 to lift the prohibition on graphic and image material (but not on

audio or video material) in HTML documents with EDGAR Release 7.0.⁸⁴ As discussed above in Part I.E, we also propose to require the presentation of graphic material in an HTML graphic file in HTML documents if the information is required by Commission rule or form and to allow its inclusion where the graphics in the document are not required by our rules or forms. We also propose to amend the rule to prohibit animated graphics in any EDGAR document.

Rule 311—Documents submitted in paper under cover of Form SE. Rule 311 currently contains provisions concerning documents submitted in paper under Form SE. We propose to amend the rule to remove the reference to exhibits to Form N-SAR, since filers must now submit N-SAR exhibits electronically.

Rules 401 and 402—Financial Data Schedule; Liability for Financial Data Schedule. Rules 401 and 402 are the provisions governing the electronic submission of Financial Data Schedules. As discussed above in Part I.K, we propose to rescind the requirement for FDSs, and accordingly we propose to remove Rules 401 and 402 of Regulation S-T.⁸⁵

Rule 501—Modular Submissions and Segmented Filings. Rule 501 currently states that an electronic filer that subscribes to the optional EDGAR electronic mail service may use the module and segment features. We propose to revise the rule to remove the reference to the optional electronic mail service, since filers who do not subscribe also may use these features.

III. General Request for Comment

You are invited to submit written comments relating to the rule proposals set forth in this release by submitting three copies to Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. You also may submit your comments electronically at the following e-mail address: rule-comments@sec.gov. Your comment letter should refer to File No.

⁸⁴ We also propose to add a Note to paragraph (a) of Rule 304 to make it clear that when omitted material contains data, filers must include that data in the filing. For example, if the omitted material consists of a pie chart showing the use of proceeds, the EDGAR filing should set forth the percentage of proceeds allocated to each use rather than merely stating "chart showing use of proceeds omitted."

⁸⁵ We also propose to amend the following rule and form provisions in connection with the discontinuance of FDSs: Items 601 of Regulation S-B and S-K; Securities Act Rule 483; Securities Act Forms S-2, S-3, and S-8; Public Utility Act Forms U5S, U-1, U-13-60 and U-3A-2; Investment Company Act Rules 8b-2, 8b-23 and Rule 8b-32; and Investment Company Act Form N-SAR.

S7-05-00; include this file number in the subject line if you use e-mail. We will make comment letters available for your inspection and copying in our Public Reference Room, 450 Fifth Street, NW, Washington, DC 20549. We also will post any electronically submitted comment letters on our Internet Web Site (<http://www.sec.gov>).

We request comment not only on the specific issues we discuss in this release, but on any other approaches or issues that we should consider in connection with the EDGAR modernization that we envision. We seek comment from any interested persons, including those required to file information with us on the EDGAR system, as well as investors, disseminators of EDGAR data, EDGAR filing agents, and other members of the public who have access to and use information from the EDGAR system.

IV. Cost-Benefit Analysis

The rules we are proposing today reflect the next stage in our modernization of EDGAR. We expect that this continuing EDGAR modernization ultimately will result in considerable benefits to the securities markets, investors, and other members of the public, by expanding the types and accessibility of information that can be filed and made available for public review through the EDGAR system. We also expect that the changes will result in economic benefits to filers by easing their burden in filing required materials through the EDGAR system.

One of the goals of EDGAR modernization has been to benefit all EDGAR users by achieving consistency as much as possible with familiar and widely accepted industry standards. The rules proposed today are an important step in moving the EDGAR system toward these industry standards.

The transition to a broader HTML tag set and the use of more current technologies should provide significant benefits. Investors will benefit from EDGAR modernization because they will receive documents that communicate more effectively. Graphics can make documents easier to read. Hyperlinks should make documents easier to navigate and information easier to locate.

The ability to transmit filings over the Internet also should provide increased flexibility to filers. Moreover, since filers would be able to use their own Internet Service Providers and send filings to the EDGAR system at no charge, filers located outside of the immediate Washington, DC area may reduce their costs for long-distance telephone service. EDGARLink filers

⁸¹ Rule 105(b) [17 CFR 232.105(b)].

⁸² Rule 105(c) [17 CFR 105(c)].

⁸³ Rule 302. We do not now, and do not propose to, require signatures in unofficial PDF copies.

also should benefit from being able to prepare and transmit their filings to the EDGAR system using more convenient and familiar browser-based software. The modernized EDGARLink, which will be a significant update from the older technology of the current EDGARLink product, should benefit filers by eliminating their dependence upon maintaining old equipment that is no longer supported in the computer industry.

Companies that make public filings also should benefit from having expanded features in their HTML documents because their documents will communicate more effectively with shareholders and be more attractive for marketing and other purposes. As investors find that they can more effectively obtain the information they seek from the EDGAR system, filers may get fewer requests for paper copies of filings. Some filers that prepare documents in HTML for purposes of offerings or of company web site postings may find it less burdensome to convert documents into the version of HTML provided for in Release 7.0 and the proposed rules than to convert them into ASCII.

At the same time, we recognize that the full transition to the modernized EDGAR system will impose some hardware, software, and staffing costs associated with the evolution of computer systems to industry standards. At this stage, issuers and other filers need not incur any immediate costs related to the proposed HTML enhancements, because filing in HTML remains voluntary. Filing agents who do not use our free EDGARLink software may incur some programming costs to make the transition to Release 7.0.

The changes in permissible methods of transmission of EDGAR submissions will likely lead to some immediate costs. We believe that the elimination of diskettes and the move from magnetic tape to magnetic cartridge would affect approximately one percent of filers. On the other hand, all filers using EDGARLink may need to make some adjustments to effect the transition to the modernized EDGARLink, which is browser-based. These costs should be minimal for most filers because the new software is not dependent upon any one operating system environment and most companies have already adopted an environment that will support it. The new EDGARLink also may be able to operate on some older DOS-based operating environments. The current DOS-based EDGARLink will remain available to filers for six months to facilitate filers' transition to the modernized EDGARLink.

Disseminators of EDGAR data may incur some transitional costs as they revise their software to accommodate the proposed HTML enhancements.⁸⁶ Disseminators that are not HTML-based may face some difficulties in integrating the new graphics data. In addition, graphics data may increase the size of documents received by the EDGAR system and transmitted to disseminators. As a result, disseminators may need to adjust their storage techniques or may incur additional costs for storage and processing.

The rules we propose today impose no costs related to substantive disclosure. The one proposed substantive change is the elimination of financial data schedules, which would reduce filers' preparation time. The remaining proposals would not substantively change the information and disclosure we currently require. Rather, the proposed rules would merely modify and supplement current rules to reflect the expanded HTML options that filers may use to submit information to us electronically.

We encourage commenters to identify any costs or benefits associated with the rule proposals and with EDGAR modernization in general. In particular, please identify any costs or benefits associated with the rule proposals relating to the increased use of graphics, the contents of an "official filing," impermissible types of code and content, hypertext links to documents or web sites, variations in the appearance of an "official filing" that is accessed through different browsers, and any impact that the rule proposals may have on the ease of locating and using EDGAR data. Please provide data to support your position.

For purposes of the Small Business Regulatory Enforcement Fairness Act of 1996, we request information regarding the potential impact of the proposed amendments on the economy on an annual basis. In particular, comments should address whether the proposed changes, if adopted, would have a \$100,000,000 annual effect on the economy, cause a major increase in costs or prices, or have a significant adverse effect on competition,

⁸⁶ We continually attempt to reduce the costs of the EDGAR system and to pass those cost savings along when possible. For example, in November 1998, under the new EDGAR contract, we were able to effect a cost savings with the implementation of a new privatized dissemination system. This resulted in our passing along a cost savings of nearly \$200,000 per year to disseminators when their yearly subscription cost was reduced from \$278,000 to \$79,686. And in December 1999, the subscription price dropped again from \$79,686 to \$44,571.

investment, or innovation. Commenters should provide empirical data to support their views.

V. Analysis of Burdens on Competition, Capital Formation and Efficiency

Section 23(a)(2) of the Exchange Act requires us, in adopting rules under the Exchange Act, to consider the anti-competitive effects of any rules that we adopt thereunder. Furthermore, section 2(b) of the securities Act,⁸⁷ section 3(f) of the Exchange Act,⁸⁸ and section 2(c)⁸⁹ of the Investment Company Act require us, when engaging in rulemaking, and considering or determining whether an action is necessary or appropriate in the public interest, to consider whether the action will promote efficiency, competition, and capital formation. In compliance with our responsibilities under these sections, we request comment on whether the proposals, if adopted, would promote efficiency, competition, and capital formation. We encourage commenters to provide empirical data or other facts to support their views.

In compliance with our responsibilities under the previously mentioned provisions, we considered whether the amendments would promote efficiency, competition and capital formation. Although filing agents and information disseminators may be disparately affected depending on their technical readiness and programming formats, we believe that the new rules and amendments would not impose any burden on competition not necessary or appropriate in the furtherance of the purposes of the securities laws.

We believe that the new rules and amendments would not have any adverse effect on capital formation. We believe the amendments would promote efficiency by giving investors information in a more readable format and by more closely aligning our technical standards to the industry's. The new rules and amendments would apply equally to all entities currently required to file on EDGAR. Because the proposed rules and amendments are designed in part to permit filers to provide information in a format that will be more useful to investors, the amendments are appropriate in the public interest and for the protection of investors.

We request comment on any burden on efficiency, competition, or capital formation that might result from the adoption of these proposals.

⁸⁷ 15 U.S.C. 77b(b).

⁸⁸ 15 U.S.C. 78c(f).

⁸⁹ 15 U.S.C. 80a-2(c).

VI. Summary of Regulatory Flexibility Act Certification

Our Chairman has certified, under section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), that the new rules and rule amendments we propose in this release (the Proposals) would not, if adopted, have a significant economic impact on a substantial number of small entities. The certification, discussing the factual basis therefor, is attached to this Release as Appendix B. We encourage written comments on the Certification. We ask commenters to describe the nature of any impact on small entities and provide empirical data to support the extent of the impact.

VII. Paperwork Reduction Act

Our proposal to eliminate Financial Data Schedules (FDSs) affects several regulations and forms that contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995⁹⁰ (the Act). We have submitted the proposal to the Office of Management and Budget (OMB) for review in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11. The titles of the affected information collections are as follows: Form S-1, Form S-4, Form S-11, Form SB-1, Form SB-2, Form 10-SB, Form 10-QSB, Form 10-KSB, Form 10, Form 10-Q, and Form 10-K; Investment Company Act Form N-SAR; and Public Utility Holding Company Act Forms U-1, U5S, U-13-60 and U-3A-2. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Form S-1 under the Securities Act (OMB Control Number 3235-0065) is used by issuers that are not eligible to use other forms to register offerings of securities. The form sets forth the transactional and company information required by the Commission in securities offerings. Form S-4 under the Securities Act (OMB Control Number 3235-0324) is used by issuers to register securities offerings in connection with business combinations and exchange offers. This form sets forth the transactional and company information required by the Commission in securities offerings. Form S-11 under the Securities Act (OMB Control Number 3235-0067) is used to register real estate investment trusts and securities issued by issuers whose business is primarily that of acquiring and holding investment interests in real estate. Form SB-1 under the Securities

Act (OMB Control Number 3235-0423) is used by small business issuers, as defined in Rule 405 of the Securities Act, to register offerings of up to \$10 million of securities in a 12-month period. The form sets forth the transactional and company information required by the Commission in securities offerings. It requires less detailed information about the issuer's business than Form S-1. Form SB-2 under the Securities Act (OMB Control Number 3235-0418) is used by small business issuers, as defined in Rule 405 of the Securities Act, to register securities offerings. The form sets forth the transactional and company information required by the Commission in securities offerings. It requires less detailed information about the issuer's business than Form S-1.

Form 10 under the Exchange Act (OMB Control Number 3235-0064) is used by registrants to register classes of securities for trading on a national exchange. It requires certain business and financial information about the issuer. Form 10-SB under the Exchange Act (OMB Control Number 3235-0419) is used by small business issuers, as defined in Rule 12b-2 of the Exchange Act, to register classes of securities. This form requires slightly less detailed information about the issuer's business than Form 10 requires. Form 10-K under the Exchange Act (OMB Control Number 3235-0063) is used by registrants to file annual reports. It provides a comprehensive overview of the registrant's business. Form 10-KSB under the Exchange Act (OMB Control Number 3235-0420) is used by small business registrants, as defined in Rule 12b-2 of the Exchange Act, to file annual reports. It provides a comprehensive overview of the registrant's business, although its requirements call for slightly less detailed information than required by Form 10-K. Form 10-Q under the Exchange Act (OMB Control Number 3235-0070) is used by registrants to file quarterly reports. It includes unaudited financial statements and provides a continuing view of the registrant's financial position during the year. The report must be filed for each of first three fiscal year quarters of the registrant's fiscal year. Form 10-QSB under the Exchange Act (OMB Control Number 3235-0416) is used by small business registrants, as defined in Rule 12b-2 of the Exchange Act, to file quarterly reports. It includes unaudited financial statements and provides a periodic view of the registrant's financial position during the year. The report must be filed for each of the first

three fiscal quarters of the registrant's fiscal year. It provides a comprehensive overview of the registrant's business, although its requirements call for slightly less detailed information than required by Form 10-Q.

Form N-SAR (OMB Control No. 3235-0330) is used by registered investment companies for annual and semi-annual reports required to be filed with the Commission.

Form U-1 (OMB Control No. 3235-0125) must be used by any person filing or amending an application or declaration under sections 6(b), 7, 9(c)(3), 10, 12(b), (c), (d) or (f) of the Public Utility Act. This form must also be used for filings under other sections of the Public Utility Act for which a form is not prescribed. Form U5S (OMB Control No. 3235-0164) requires registered holding companies to file annual and other periodic and special reports as the Commission may prescribe to keep current information relevant to compliance with substantive provisions of the Public Utility Act. Form U-13-60 (OMB Control No. 3235-0153) implements section 13 of the Public Utility Act by requiring standardized accounting and recordkeeping for mutual and subsidiary service companies of registered holding companies and the filing of annual reports on Form U-13-60. Form U-3A-2 (OMB Control Number 3235-0161) permits a public utility holding company to claim exemption from the Public Utility Act by filing an annual statement.

We anticipate that the proposal to eliminate the requirement that filers submit FDSs as exhibits for certain forms referenced under Item 601(b) of Regulations S-K and S-B would reduce the existing information collection requirements that are currently imposed on registrants (respondents).⁹¹ We estimate that approximately 3,617 Form S-1s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 432 hours per filing. We anticipate that the total estimated aggregate annual burden for 3,617 respondents would be 1,562,544 hours ($432 \times 3,617$).

We estimate that approximately 8,709 Form S-4s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 990 hours per filing. We anticipate that the total estimated aggregate annual burden for 8,709

⁹⁰ 44 U.S.C. 3501 *et seq.*

⁹¹ Regulations S-K and S-B do not impose reporting burdens directly on public companies.

respondents would be 8,621,910 hours ($990 \times 8,709$).

We estimate that approximately 107 Form S-11s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 473 hours per filing. We estimate that the total estimated aggregate annual burden for 107 respondents would be 50,611 hours (473×107).

We estimate that approximately 8 Form SB-1s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 177 hours per filing. We anticipate that the total estimated aggregate annual burden for 8 respondents would be 1,416 hours (177×8).

We estimate that approximately 559 Form SB-2s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 137 hours per filing. We anticipate that the total estimated aggregate annual burden for 559 respondents would be 76,583 hours (137×559).

We estimate that approximately 162 Form 10-SBs are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 22 hours per filing. We anticipate that the total estimated aggregate annual burden for 162 respondents would be 3,564 hours (22×162).

We estimate that approximately 10,671 Form 10-QSBs are filed each year. This number reflects the fact that a Form 10-QSB is required to be filed three times a year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 32 hours per filing. We anticipate that the total estimated aggregate annual burden for 3,557 respondents would be 341,472 hours ($3 \times 32 \times 3,557$).

We estimate that approximately 3,641 Form 10-KSBs are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 294 hours per filing. We anticipate that the total estimated aggregate annual burden for 3,641 respondents would be 1,070,454 hours ($294 \times 3,641$).

We estimate that approximately 124 Form 10s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an

average burden of 23 hours per filing. We anticipate that the total estimated aggregate annual burden for 124 respondents would be 2,852 hours (23×124).

We estimate that approximately 29,551 Form 10-Qs are filed each year. This number reflects the fact that Form 10-Q is required to be filed three times a year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 34 hours per filing. We anticipate that the total estimated aggregate annual burden for 9,850 respondents would be 1,004,700 hours ($3 \times 34 \times 9,850$).

We estimate that approximately 10,381 Form 10-Ks are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 430 hours per filing. We anticipate that the total estimated aggregate annual burden for 10,381 respondents would be 4,463,830 hours ($10,381 \times 430$).

The proposal to eliminate FDSs within Investment Company Act Form N-SAR would reduce the total information collection burden imposed upon affected respondents. We estimate that approximately 7,333 Form N-SARs are filed each year. This number reflects the fact that each of approximately 3,300 management investment companies file the form twice a year. This number also includes the 733 unit investment trusts who file the form once a year, with a burden of 6 hours per filing, but who do not file FDSs with the form. We estimate that the elimination of FDSs would decrease the filing burden for each management investment company respondent by 1 hour for an average burden of 14.75 hours per filing. We anticipate that the total estimated aggregate annual burden for 4,033 respondents would be 101,748 hours ($(2 \times 3,300 \times 14.75) + (733 \times 6)$).

The proposal to eliminate FDSs within Public Utility Act forms would reduce the total information burden imposed upon affected respondents. We estimate that approximately 121 Form U-1s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 224 hours per filing. We anticipate that the total estimated aggregate annual burden for 15 respondents making a total of 121 submissions per year would be 27,104 hours (121×224).

We estimate that approximately 19 Form U5Ss are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for

each respondent by 1 hour for an average burden of 13.5 hours per filing. We anticipate that the total estimated aggregate annual burden for 19 respondents would be 256.5 hours (19×13.5).

We estimate that approximately 91 Form U-3A-2s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 2.5 hours per filing. We anticipate that the total estimated aggregate annual burden for 91 respondents would be 227.5 hours (91×2.5).

We estimate that approximately 40 Form U-13-60s are filed each year. We estimate that the elimination of FDSs would decrease the filing burden for each respondent by 1 hour for an average burden of 13.5 hours per filing. We anticipate that the total estimated aggregate annual burden for 40 respondents would be 540 hours (40×13.5).

The above forms do not impose a retention period for any recordkeeping requirements. Compliance with the above forms is mandatory. Responses to the disclosure requirements of the above forms are not kept confidential unless granted confidential treatment.

We solicit comment to: (i) Evaluate whether the proposed change in the collections of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (ii) evaluate the accuracy of our estimate of the burden of the proposed changes to the collections of information; (iii) enhance the quality, utility and clarity of the information to be collected; and (iv) minimize the burden of the collections of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

If you would like to submit comments on the collection of information requirements, then you should direct them to the Office of Management and Budget, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and should also send a copy of their comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549, with reference to File No. S7-05-00. Requests for materials submitted to OMB by the Commission with regard to these collections of information should be in writing, refer to File No. S7-05-00, and be submitted to the Securities and

Exchange Commission, Records Management, Office of Filings and Information Services. OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication of this release. Consequently, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

VIII. Statutory Basis

We propose the rule amendments outlined above under sections 6, 7, 8, 10 and 19(a) of the Securities Act, sections 3, 12, 13, 14, 15(d), 23(a) and 35A of the Exchange Act, sections 3, 5, 6, 7, 10, 12, 13, 14, 17 and 20 of the Public Utility Act, Section 319 of the Trust Indenture Act, and sections 8, 30, 31 and 38 of the Investment Company Act.

List of Subjects

17 CFR Part 228

Reporting and recordkeeping requirements, Securities, Small businesses.

17 CFR Parts 229 and 239

Reporting and recordkeeping requirements, Securities.

17 CFR Part 230

Advertising, Confidential business information, Investment companies, Reporting and recordkeeping requirements, Securities.

17 CFR Part 232

Administrative practice and procedure, Confidential business information, Reporting and recordkeeping requirements, Securities.

17 CFR Part 240

Brokers, Confidential business information, Fraud, Reporting and recordkeeping requirements, Securities.

17 CFR Part 249

Brokers, Reporting and recordkeeping requirements, Securities.

17 CFR Part 250

Confidential business information, Electric utilities, Holding companies, Natural gas, Reporting and recordkeeping requirements, Securities.

17 CFR Part 259

Electric utilities, Holding companies, Natural gas, Reporting and recordkeeping requirements, Securities.

17 CFR Parts 260 and 269

Reporting and recordkeeping requirements, Securities, Trusts and trustees.

17 CFR Part 270

Confidential business information, Fraud, Investment companies, Life insurance, Reporting and recordkeeping requirements, Securities.

17 CFR Part 274

Electronic funds transfers, Investment companies, Reporting and recordkeeping requirements, Securities.

Text of the Proposed Amendments

In accordance with the foregoing, Title 17, Chapter II, of the Code of Federal Regulations is proposed to be amended as follows:

PART 228—INTEGRATED DISCLOSURE SYSTEM FOR SMALL BUSINESS ISSUERS

1. The authority citation for part 228 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77jjj, 77nnn, 77sss, 78l, 78m, 78n, 78o, 78u-5, 78w, 78ll, 80a-8, 80a-29, 80a-30, 80a-37, 80b-11, unless otherwise noted.

§ 228.601 [Amended]

2. By amending § 228.601, by removing exhibits (27) and (28), and by reserving exhibits (27) through (98), and removing footnote * * * in the exhibit table in paragraph (a), by removing paragraph (b)(27) and reserving paragraphs (b)(27) through (b)(98), and by removing paragraph (c) and Appendices A through F.

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K

3. The authority citation for part 229 continues to read in part as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78l, 78m, 78n, 78o, 78u-5, 78w, 78ll(d), 79e, 79n, 79t, 80a-8, 80a-29, 80a-30, 80a-37, 80b-11, unless otherwise noted.

* * * * *

§ 229.601 [Amended]

4. By amending § 229.601, by removing exhibits (27) and (28), by reserving exhibits (27) through (98), and removing footnote 5 in the exhibit table in paragraph (a), by removing paragraph (b)(27) and reserving paragraphs (b)(27) through (b)(98), and by removing paragraph (c) and Appendices A through F.

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

5. The authority citation for part 230 continues to read in part as follows:

Authority: 15 U.S.C. 77b, 77f, 77g, 77h, 77j, 77r, 77s, 77sss, 77z-3, 78c, 78d, 78l, 78m, 78n, 78o, 78w, 78ll(d), 79t, 80a-8, 80a-24, 80a-28, 80a-29, 80a-30, and 80a-37, unless otherwise noted.

* * * * *

6. By amending § 230.110 by revising paragraph (b) to read as follows:

§ 230.110 Business hours of the Commission.

* * * * *

(b) *Submissions made in paper or on magnetic cartridge.* Paper documents filed with or otherwise furnished to the Commission, as well as electronic filings and submissions on magnetic cartridge under cover of Form ET (§§ 239.62, 249.445, 259.601, 269.6 and 274.401 of this chapter), may be submitted to the Commission each day, except Saturdays, Sundays and federal holidays, from 8 a.m. to 5:30 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect.

* * * * *

7. By amending § 230.483 by removing paragraph (e) including the contents of the financial data schedule set forth in paragraph (e)(4) and by revising the section heading to read as follows:

§ 230.483 Exhibits for certain registration statements.

* * * * *

PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

8. The authority citation for part 232 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

9. By amending § 232.11 by removing the definition of "Phase-in date" and by revising the definition of "Official filing" to read as follows:

§ 232.11 Definition of terms used in part 232.

* * * * *

Official filing. The term *official filing* means any filing that is received and accepted by the Commission, regardless of filing medium and exclusive of header information, tags and any other technical information required in an electronic filing.

* * * * *

10. By amending § 232.12 by revising paragraphs (b) and (c) to read as follows:

§ 232.12 Business hours of the Commission.

* * * * *

(b) *Submissions made in paper or on magnetic cartridge.* Filers may submit paper documents filed with or otherwise furnished to the Commission, as well as electronic filings and submissions on magnetic cartridge under cover of Form ET (§§ 239.62, 249.445, 259.601, 269.6 and 274.401 of this chapter), to the Commission each day, except Saturdays, Sundays and federal holidays, from 8 a.m. to 5:30 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect. Filers may file submissions on magnetic cartridge either at the address indicated in paragraph (a) of this section or at the Commission's Operations Center, 6432 General Green Way, Alexandria, VA 22312-2413.

(c) *Submissions by direct transmission.* Electronic filings and other documents may be submitted by direct transmission, via dial-up modem or Internet, to the Commission each day, except Saturdays, Sundays and federal holidays, from 8 a.m. to 10 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect.

11. By revising § 232.103 to read as follows:

§ 232.103 Liability for transmission errors or omissions in documents filed via EDGAR.

An electronic filer shall not be subject to the liability and anti-fraud provisions of the federal securities laws with respect to an error or omission in an electronic filing resulting solely from electronic transmission errors beyond the control of the filer, where the filer corrects the error or omission by the filing of an amendment in electronic format as soon as reasonably practicable after the electronic filer becomes aware of the error or omission.

12. By amending § 232.104 by revising paragraph (b) and adding paragraph (f) to read as follows:

§ 232.104 Unofficial PDF copies included in an electronic submission.

* * * * *

(b) Except as provided in paragraphs (c) and (f) of this section, each unofficial PDF copy must be substantively equivalent to its associated electronic document contained in the electronic submission. An unofficial PDF copy may contain graphic and image material (but not animated graphics, or audio or video material), notwithstanding the

fact that its HTML or ASCII document counterpart may not contain such material but instead may contain a fair and accurate narrative description or tabular representation of any omitted graphic or image material.

* * * * *

(f) An unofficial PDF copy of a correspondence document contained in an electronic submission need not be substantively equivalent to that correspondence document if the unofficial PDF copy consists solely of a redlined copy of an official filing.

13. By revising § 232.105 to read as follows:

§ 232.105 Limitation on use of HTML documents and hypertext links.

(a) Electronic filers must submit the following documents in ASCII: Form N-SAR (§ 274.101 of this chapter) and Form 13F (§ 249.325 of this chapter). Notwithstanding the provisions of this section, electronic filers may submit exhibits to Form N-SAR in HTML.

(b) Electronic filers may not include in any HTML document hypertext links to sites, locations, or documents outside the HTML document, except to links to officially filed documents within the current submission and to documents previously filed electronically and located in the EDGAR database on the Commission's public web site (www.sec.gov). Electronic filers also may include within an HTML document hypertext links to different sections within that single HTML document.

(c) If a filer includes an external hypertext link within a filed document, the information contained in the linked material will not be considered part of the document for determining compliance with reporting obligations, but the inclusion of the link will cause the filer to be subject to the civil liability and antifraud provisions of the federal securities laws with reference to the information contained in the linked material.

14. By amending § 232.302 by revising paragraph (a) to read as follows:

§ 232.302 Signatures.

(a) Required signatures to or within any electronic submission must be in typed form rather than manual format. Signatures in an HTML document that are not required may, but are not required to, be presented in an HTML graphic or image file within the electronic filing, in compliance with the formatting requirements of the EDGAR Filer Manual. When used in connection with an electronic filing, the term "signature" means an electronic entry in the form of a magnetic impulse or other form of computer data compilation of

any letter or series of letters or characters comprising a name, executed, adopted or authorized as a signature. Signatures are not required in unofficial PDF copies submitted in accordance with § 232.104.

* * * * *

§ 232.303 [Amended]

15. By amending § 232.303 by removing paragraph (a)(4).

16. By amending § 232.304 by revising the first sentence of paragraph (a) and adding a note following paragraph (a), revising paragraph (d), and adding paragraphs (e) and (f) to read as follows:

§ 232.304 Graphic, image, audio and video material.

(a) If a filer includes graphic, image, audio or video material in a document delivered to investors and others that is not reproduced in an electronic filing, the electronically filed version of that document must include a fair and accurate narrative description, tabular representation or transcript of the omitted material. * * *

Note to paragraph (a): If the omitted graphic, image, audio or video material includes data, filers must include a tabular representation or other appropriate representation of that data in the electronically filed version of the document.

* * * * *

(d) For electronically filed ASCII documents, the performance graph that is to appear in registrant proxy and information statements relating to annual meetings of security holders (or special meetings or written consents in lieu of such meetings) at which directors will be elected, as required by Item 402(l) of Regulation S-K (§ 229.402(l) of this chapter), and the line graph that is to appear in registrant annual reports to security holders or prospectuses, as required by paragraph (b) of Item 5 of Form N-1A (§ 274.11A of this chapter), must be furnished to the Commission by presenting the data in tabular or chart form within the electronic ASCII document, in compliance with paragraph (a) of this section and the formatting requirements of the EDGAR Filer Manual.

(e) Notwithstanding the provisions of paragraphs (a) through (d) of this section, electronically filed HTML documents must present the following information in an HTML graphic or image file within the electronic submission in compliance with the formatting requirements of the EDGAR Filer Manual: the performance graph that is to appear in registrant proxy and information statements relating to annual meetings of security holders (or special meetings or written consents in

lieu of such meetings) at which directors will be elected, as required by Item 402(l) of Regulation S-K (§ 229.402(l) of this chapter); the line graph that is to appear in registrant annual reports to security holders or prospectuses, as required by paragraph (b) of Item 5 of Form N-1A (§ 274.11A of this chapter); and any other graphic material required by rule or form to be filed with the Commission. Filers may, but are not required to, submit any other graphic material in an HTML document by presenting the data in an HTML graphic or image file within the electronic filing, in compliance with the formatting requirements of the EDGAR Filer Manual. However, filers may not present in a graphic or image file information such as text or tables that users must be able to search and/or download into spreadsheet form (e.g., financial statements); filers must present such material as text in an ASCII document or as text or an HTML table in an HTML document.

(f) Electronic filers may not include animated graphics in any EDGAR document.

§ 232.311 [Amended]

17. By amending § 232.311 by removing paragraph (c) and redesignating paragraphs (d), (e), (f), (g), (h) and (i) as paragraphs (c), (d), (e), (f), (g), and (h), respectively.

§§ 232.401 and 232.402 [Removed and Reserved]

18. By removing and reserving §§ 232.401 and 232.402 and removing the undesignated center heading preceding reserved § 232.401.

19. By amending § 232.501 by revising the introductory text to read as follows:

§ 232.501 Modular submissions and segmented filings.

An electronic filer may use the following procedures to submit information to the EDGAR system for subsequent inclusion in an electronic filing:

* * * * *

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

20. The authority citation for part 239 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77z-2, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78u-5, 78w(a), 78ll(d), 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t, 80a-8, 80a-24, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

* * * * *

Note: The text of the following forms do not and the amendments will not appear in the Code of Federal Regulations.

21. By amending Form S-2 (referenced in § 239.12), General Instruction I, as follows:

a. in the introductory text of paragraph H, remove the colon;

b. in paragraph H(1), remove “(1)” and “; and,” and add a period at the end of the sentence; and

c. remove paragraph H.(2).

22. By amending Form S-3 (referenced in § 239.13), General Instruction I, as follows:

a. in the introductory text of paragraph A.8.(1), remove the colon;

b. in paragraph A.8.(1), remove “(1)” and “; and,” and add a period at the end of the sentence; and

c. remove paragraph A.8.(2).

23. By amending Form S-8 (referenced in § 239.16b), General Instruction A, as follows:

a. in the introductory text of paragraph 3, remove the colon;

b. in paragraph 3.(1), remove “(1)” and “; and,” and add a period at the end of the sentence; and

c. remove paragraph 3.(2).

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

24. The authority citation for part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78f, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78ll(d), 78mm, 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

* * * * *

25. By amending § 240.0-2 by revising paragraph (b) to read as follows:

§ 240.0-2 Business hours of the Commission.

* * * * *

(b) *Submissions made in paper or on magnetic cartridge.* Paper documents filed with or otherwise furnished to the Commission, as well as electronic filings and submissions on magnetic cartridge under cover of Form ET (§§ 239.62, 249.445, 259.601, 269.6 and 274.401 of this chapter), may be submitted to the Commission each day, except Saturdays, Sundays and federal holidays, from 8 a.m. to 5:30 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect.

* * * * *

PART 250—GENERAL RULES AND REGULATIONS, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

26. The authority citation for part 250 continues to read as follows:

Authority: 15 U.S.C. 79c, 79f(b), 79i(c)(3), 79t, unless otherwise noted.

27. By amending § 250.21 by revising paragraph (b)(1) to read as follows:

§ 250.21 Filing of documents.

* * * * *

(b) *Electronic filings.* (1) All documents required to be filed with the Commission under the Act or the rules and regulations thereunder must be filed at the principal office in Washington, DC via EDGAR by delivery to the Commission of a magnetic cartridge or by direct transmission.

* * * * *

PART 259—FORMS PRESCRIBED UNDER THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

28. The authority citation for part 259 continues to read as follows:

Authority: 15 U.S.C. 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t.

Note: The text of the following forms do not and the amendments will not appear in the Code of Federal Regulations.

29. By amending Form U5S (referenced in § 259.5s) by removing General Instruction 8, removing Exhibit G to Item 10, and redesignating Exhibits H and I to Item 10 as Exhibits G and H.

30. By amending Form U-1 (referenced in § 259.101) by removing Instruction G to Instructions as to Exhibits.

31. By amending Form U-13-60 (referenced in § 259.313) by removing Schedule XIX.

32. By amending Form U-3A-2 (referenced in § 259.402) by removing Exhibit B and by redesignating Exhibit C as Exhibit B.

PART 260—GENERAL RULES AND REGULATIONS, TRUST INDENTURE ACT OF 1939

33. The authority citation for part 260 continues to read as follows:

Authority: 15 U.S.C. 77eee, 77ggg, 77nnn, 77sss, 78ll(d), 80b-3, 80b-4, and 80b-11.

34. By amending § 260.0-5 by revising paragraph (b) to read as follows:

§ 260.0-5 Business hours of the Commission.

* * * * *

(b) *Submissions made in paper or on magnetic cartridge.* Paper documents filed with or otherwise furnished to the Commission, as well as electronic filings and submissions on magnetic cartridge under cover of Form ET (§§ 239.62, 249.445, 259.601, 269.6 and 274.401 of this chapter), may be submitted to the Commission each day, except Saturdays, Sundays and federal

holidays, from 8 a.m. to 5:30 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect.

* * * * *

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

35. The authority citation for part 270 continues to read in part as follows:

Authority: 15 U.S.C. 80a-1 *et seq.*, 80a-34(d), 80a-37, 80a-39 unless otherwise noted:

* * * * *

§ 270.8b-2 [Amended]

36. By amending § 270.8b-2 by removing the last sentence of the introductory text.

§ 270.8b-23 [Amended]

37. By amending § 270.8b-23 by removing the last sentence of paragraph (a).

§ 270.8b-32 [Amended]

38. By amending § 270.8b-32 by removing paragraph (c)(2) and by removing the paragraph designation (c)(1).

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

39. The authority citation for part 274 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78o(d), 80a-8, 80a-24, and 80a-29, unless otherwise noted.

40. By amending Form N-SAR (referenced in § 274.101) by removing paragraph (1) of General Instruction F and redesignating paragraph (2) as General Instruction F and revising the last sentence to read as follows:

Note: The text of Form N-SAR does not and the amendments will not appear in the Code of Federal Regulations.

OMB Approval

—Number: 3235-xxxx

—Expires: xxxxxxxxxxxxxxxx

—Estimated average burden hours per response: xxxx

United States Securities and Exchange Commission

Washington, D.C.

Instructions and Form

FORM N-SAR

Semi-Annual Report For Registered Investment Companies

* * * * *

General Instructions

* * * * *

F. Filings on EDGAR.

* * * Filers may not submit the form on magnetic cartridge.

* * * * *

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

PART 259—FORMS PRESCRIBED UNDER THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

PART 269—FORMS PRESCRIBED UNDER THE TRUST INDENTURE ACT OF 1939

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

41. The authority citation for Part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a, *et seq.*, unless otherwise noted;

* * * * *

42. The authority citation for Part 269 continues to read as follows:

Authority: 15 U.S.C. 77ddd(c), 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77sss, 78lll(d), unless otherwise noted.

43. By revising Form ET (referenced in §§ 239.62, 249.445, 259.601, 269.6 and 274.401 of this chapter) to read as follows:

Note: The text of Form ET does not and the amendments will not appear in the Code of Federal Regulations.

OMB Approval

OMB Number: 3235-xxxx

Expires: xxxxxxxxxxxxxxxx

Estimated average burden hours per response: xxxx

United States Securities and Exchange Commission

Washington, D.C.

Form ET—Transmittal Form for Electronic Format Documents Under the Edgar System

PART I—SUBMISSION INFORMATION (Read the instructions before completing the following items.)

1. CIK of Sender of cartridge(s)
2. Name of Sender of cartridge(s)
3. Number of cartridge(s) in package
4. Person to contact if there are problems with the cartridge(s).

a. Name:

b. Telephone number (including area code):

PART II—MAGNETIC CARTRIDGE INFORMATION

1. Volume ID on internal label:

2. Language: ASCII EBCDIC

3. Density: 1600 bpi 6250 bpi

Form ET—General Instructions

1. Rule as to Use of Form ET.

One copy of this form must accompany all magnetic cartridge submissions. Address magnetic cartridges, regardless of the manner of delivery, to Attn: Document Control—Edgar U.S. Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549-0104

2. Preparation of Magnetic Cartridge Submissions.

Please refer to the EDGAR Filer Manual which contains information and procedures for electronic filing.

A. You may include more than one submission on a magnetic cartridge. However, you must place each submission in a single, separate file. We will assume that each file and a magnetic cartridge contains a separate submission and will transfer all such files to the EDGAR system. Therefore, you should recheck all files prior to sending a magnetic cartridge to us to ensure that the cartridge contains only those files you intend to send.

B. If you use more than one magnetic cartridge, indicate their order of processing on the external label of each magnetic cartridge, *e.g.*, 1 of 3; 2 of 3, *etc.*

C. Please write the CIK of the Sender on the external label of each magnetic cartridge.

D. To expedite the processing of magnetic cartridges, please write the following in large, bold letters on the envelope or carton: EDGAR MAGNETIC CARTRIDGE.

3. Preparation of Form.

A. Complete this form carefully, since we will use the data on this form to transfer submissions from the magnetic cartridge(s) to the EDGAR system.

B. Make sure that the CIK and the Name of Sender requested in Part I is that of the filer or filing agent, whichever prepared and sent the magnetic cartridge(s) to us.

C. Make sure that the contact person you identify in Part I is a person who can respond to technical questions concerning the electronic preparation of the magnetic cartridge(s).

D. If you include more than one filer and/or more than one submission on the

magnetic cartridge(s), you do not need to complete a separate form for each filer or submission if the information contained in Parts I, II, and III is identical for all filers and all submissions.

4. Signatures.

There are no separate signature requirements for Form ET. However, each of the various electronic forms you wish to file on magnetic cartridge that accompany the Form ET contains certain signature requirements. These

electronic forms should include typed signatures. See Rule 302 of Regulation S-T (§ 232.302 of this chapter).

5. Application of General Rules and Regulations.

Electronic filers are subject to Regulation S-T (Part 232 of this chapter) and the EDGAR Filer Manual. We direct your attention to the General Rules and Regulations under the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust

Indenture Act of 1939, the Investment Company Act of 1940, and the electronic filing rules and regulations under these Acts.

By the Commission.

Dated: February 25, 2000.

Margaret H. McFarland,
Deputy Secretary.

Note: Appendix A and Appendix B to the preamble will not appear in the Code of Federal Regulations.

Appendix A.—Acceptable Tags for HTML Documents for Edar Release 7.0—for Use With Modernized Edgarlink

Acceptable HTML 3.2 Tags—Document Header

Non-Format Tags

<HTML>

<!-- or <!DOCTYPE>

Definition.

Identifies text as HTML document.

Comment—does not appear in browser, only in HTML source <!DOCTYPE> tag is used to identify which HTML standard is used by the HTML text.

[NOTE: These tags may appear in-between the <TEXT> and <HTML> tags].

<A>

Anchor/Hyperlink

[NOTE: For the attribute HREF, external references are not supported; however, Bookmark (internal) references will be supported].

<BODY>

Signifies the body of the HTML document.

[NOTE: the BACKGROUND parameter may include a reference to a JPEG (*.jpg) or GIF (*.gif) graphic file].

<HEAD>

Signifies header information for HTML document.

<ISINDEX>

Signifies document is an index for a search engine.

<BASE>

Base URL to be used by all links in the document.

[NOTE: For the attribute HREF, external references are not supported; however, Bookmark (internal) references will be supported].

<LINK>

Like a hyperlink, but only contained within header.

[NOTE: For the attribute HREF, external references are not supported; however, Bookmark (internal) references will be supported].

<META>

Extended information to be included in document header

[NOTE: The HTTP-EQUIV attribute is not supported for this tag].

<TITLE>

Title of document. It is displayed at the top of the browser.

Acceptable HTML 3.2 Tags—Within Document

Format Specific Tags (change the appearance of the text only)

<~<>

Definition.

Escape Sequences—Used to display characters normally reserved (such as "<") as plain text in the HTML document.

<A>

Anchor/Hyperlink.

[NOTE: For the attribute HREF, external references are not supported, except for the following:

(1) Where the reference is previously-filed submission that resides in the EDGAR filing repository on the www.sec.gov web site.

(2) Where the reference is from a public document to another public document within the submission.

(3) Where the reference is from a private document to a public document within the submission. Internal references (bookmarks) are also supported].

<ADDRESS>

Address—Usually italicized.

Bold.

<BLOCKQUOTE>

Block Quote—Usually indented.

Line Break.

<CITE>

Citation.

<CODE>

Code.

<DIR>

Directory List.

<DL>

Definition List—Used with <DT> and <DD>

<DT>

Definition Term.

<DD>

Definition.

Emphasized—Like Bold.

<H1>

Heading 1—Largest.

<H2>

Heading 2.

<H3>

Heading 3.

<H4>

Heading 4.

<H5>

Heading 5.

<H6>

Heading 6—Smallest.

<HR>

Horizontal Rule—Displays a thin line across the page separating text.

<I>

Italic.

Embedded graphic file, used with SRC=parameter; Supported formats that may be attached to an HTML document are JPEG (*.jpg) and GIF (*.gif) files.

| | |
|-------------|--|
| <KBD> | Keyboard—Preformatted text. |
| | List Item—Used by <DIR>, <MENU>, , and . |
| <LISTING> | Listing—Same as <PRE>. |
| <MENU> | Menu List. |
| | Ordered List—Includes numbers. |
| <P> | Paragraph. |
| <PLAINTEXT> | Plain Text. |
| <PRE> | Preformatted Text. |
| <SAMP> | Sample—Uses fixed width font—Like <PRE>. |
| <STRIKE> | Strikethrough. |
| | Strong—Similar to bold. |
| <TT> | Teletype—Uses fixed width font—Like <PRE>. |
| <U> | Underlined. |
| | Unordered List—Bullets only. |
| <VAR> | Variable—Uses fixed width font—Like <PRE>. |
| <XMP> | Example—Same as <PRE>. |
| <BIG> | Big Text—Increases font size. |
| <CAPTION> | Caption—Can only be used with tables. |
| <CENTER> | Centers elements between tags. |
| <DFN> | Definition—Like <I>. |
| <DIV> | Division—Helps separate a document into parts. |
| | Allows alteration of font contained within tags. |
| <SMALL> | Small Text—Decreases font size. |
| <SUB> | Subscript. |
| <SUP> | Superscript. |
| <TABLE> | Table
[NOTE: No HTML documents with nested <TABLE> tags are to be accepted or disseminated by EDGAR]. |
| <TD> | Table Data or Cell. |
| <TH> | Table Header—Displayed in bold. |
| <TR> | Table Row. |

Acceptable Legacy SGML Tags—Within HTML Documents

| | |
|-------------------|---|
| Non-Standard Tags | Definition. |
| <PAGE> | SGML tag for page markers (browsers will ignore this tag if present). |
| <R> | [NOTE: The <R> tag can also be represented as <R>]. |
| </R> | [Second NOTE: the <R> tag will not be publicly disseminated; it is for SEC use only.] |
| <SEGMENTS> | |
| </SEGMENTS> | |
| <MODULE> | |
| <NAME> | |
| <CIK> | |
| <CCC> | |
| </MODULE> | For incorporation of document text by the EDGAR system.
[NOTE: These tags will not be publicly disseminated.]
[Second NOTE: Module and segment references within HTML documents (“Type 1” references) are not supported.] |

Appendix B—Regulatory Flexibility Act Certification

I, Arthur Levitt, Chairman of the Securities and Exchange Commission, hereby certify, pursuant to 5 U.S.C. 605(b), that the proposed amendments to Item 601 of Regulation S-B¹ under the Securities Act of 1933 (Securities Act);² Item 601 of Regulation S-K³ under the Securities Act; Rules 110 and 483⁴ under the Securities Act; Forms S-2, S-3, and S-8⁵ under the Securities Act; Rules 11, 12, 103, 104, 105, 302, 303, 304, 311, and 501 of Regulation S-T;⁶ Rule 0-2⁷ under the Exchange Act of

1934 (Exchange Act);⁸ Rule 21⁹ and Forms U5S, U-1, U-13-60 and U-3A-2¹⁰ under the Public Utility Holding Company Act of 1935 (Public Utility Act);¹¹ Rule 0-5¹² under the Trust Indenture Act of 1939 (Trust Indenture Act);¹³ Rules 8b-2, 8b-23, and 8b-32,¹⁴ and Form N-SAR,¹⁵ under the Investment Company Act of 1940 (Investment Company Act);¹⁶ and Form ET¹⁷ under the Securities Act, the Exchange Act, the Public Utility Act, the Trust Indenture Act, and the Investment Company Act; and the removal of Rules 401 and 402¹⁸ under Regulation S-T, as set forth

in Release Number 33-7803 (together, the Proposals), if adopted, would not have a significant economic impact on a substantial number of small entities.

The Proposals would not have a significant economic impact on a substantial number of small entities because they would only expand the features available for filers under one of their options for making their submissions on the Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, which they may choose to use on a voluntary basis; remove the requirement for submission of financial data schedule exhibits; remove diskettes¹⁹ and add Internet transmission as a means of submitting EDGAR filings; and make technical corrections to current rules. Therefore, the Proposals would not have a significant economic impact on a substantial number of small entities.

¹⁹ Approximately one percent of filers use this method of electronic transmission.

¹ 17 CFR 228.601.

² 15 U.S.C. 77a *et seq.*

³ 17 CFR 229.601.

⁴ 17 CFR 230.110 and 230.483.

⁵ 17 CFR 239.12, 239.13, and 239.16b.

⁶ 17 CFR 232.11, 232.11, 232.12, 232.103, 232.104, 232.105, 232.302, 232.303, 232.304, 232.311 and 232.501.

⁷ 17 CFR 240.0-2.

⁸ 15 U.S.C. 78a, *et seq.*

⁹ 17 CFR 250.21.

¹⁰ 17 CFR 259.5a, 259.101, 259.313 and 259.402.

¹¹ 15 U.S.C. 79a, *et seq.*

¹² 17 CFR 260.0-5.

¹³ 15 U.S.C. 77sss, *et seq.*

¹⁴ 17 CFR 270.8b-2, 270.8b-23 and 270.8b-32.

¹⁵ 17 CFR 274.101.

¹⁶ 15 U.S.C. 80a-1 *et seq.*

¹⁷ 17 CFR 239.62, 249.445, 259.601, 269.6 and 274.401.

¹⁸ 17 CFR 232.401 and 232.402.

February 8, 2000.

Arthur Levitt

[FR Doc. 00-5045 Filed 3-2-00; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 990

[Docket No. FR-4425-N-10]

Negotiated Rulemaking Committee on Operating Fund Allocation; Meeting

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Negotiated Rulemaking Committee Meetings.

SUMMARY: This document announces a meeting of the Negotiated Rulemaking Committee on Operating Fund Allocation. These meetings are sponsored by HUD for the purpose of discussing and negotiating a proposed rule that would change the current method of determining the payment of operating subsidies to public housing agencies (PHAs).

DATES: The committee meeting will be held on March 7 and March 8, 2000. On March 7, 2000, the meeting will begin at approximately 9:30 am and end at approximately 5:30 pm. On March 8, 2000, the meeting will begin at approximately 9 am and end at approximately 4 pm.

ADDRESSES: The committee meeting will take place at the Channel Inn, 650 Water Street, SW, Washington, DC 20024; telephone 1-800-368-5668.

FOR FURTHER INFORMATION CONTACT: Steve Sprague, Funding and Financial Management Division, Office of Public and Indian Housing, Room 4216, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-0500; telephone (202) 708-1872 (this telephone number is not toll-free). Hearing or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

The Secretary of HUD has established the Negotiated Rulemaking Committee on Operating Fund Allocation to negotiate and develop a proposal that would change the current method of determining the payment of operating subsidies to public housing agencies (PHAs). The establishment of the

committee is required by the Quality Housing and Work Responsibility Act of 1998 (Pub.L. 105-276, approved October 21, 1998) (the "Public Housing Reform Act"). The Public Housing Reform Act makes extensive changes to HUD's public and assisted housing programs. These changes include the establishment of an Operating Fund for the purpose of making assistance available to PHAs for the operation and management of public housing. The Public Housing Reform Act requires that the assistance to be made available from the new Operating Fund be determined using a formula developed through negotiated rulemaking procedures.

II. Negotiated Rulemaking Committee Meeting

This document announces a meeting of the Negotiated Rulemaking Committee on Operating Fund Allocation. The next committee meeting will take place as described in the **DATES** and **ADDRESSES** section of this document.

The agenda planned for the committee meeting includes the development and review of draft regulatory and preamble language; and the scheduling of future meetings, if necessary.

The meeting will be open to the public without advance registration. Public attendance may be limited to the space available. Members of the public may make statements during the meeting, to the extent time permits, and file written statements with the committee for its consideration. Written statements should be submitted to the address listed in the **FOR FURTHER INFORMATION** section of this notice. Summaries of committee meetings will be available for public inspection and copying at the address in the same section.

Dated: February 29, 2000.

Harold Lucas,

Assistant Secretary for Public and Indian Housing.

[FR Doc. 00-5294 Filed 3-1-00; 11:30 am]

BILLING CODE 4210-33-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[IL164-1a; FRL-6546-7]

Approval and Promulgation of Air Quality Plans; Illinois; Post-1996 Rate of Progress Plan for the Chicago Ozone Nonattainment Area

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to approve, through parallel processing, a proposed Post-1996 Rate-Of-Progress (ROP) Plan submitted by the State of Illinois for the Chicago Ozone Nonattainment Area. Illinois originally submitted a Post-1996 ROP Plan on December 18, 1997, as a requested revision the State Implementation Plan (SIP) for ozone. A Post-1996 ROP Plan is required for the Chicago Ozone Nonattainment Area under the Clean Air Act (Act). The State submitted proposed amendments to the plan on December 17, 1999, January 14, 2000, and January 21, 2000, with a request for EPA to parallel process a rulemaking on the proposed plan as amended. The purpose of the Post-1996 ROP Plan is to reduce ground-level ozone (smog) pollution in the Chicago Metropolitan Area. The submitted proposed plan shows that Illinois reduced emissions of ozone-forming pollutants by 9% by November 15, 1999. These pollutants include emissions of Volatile Organic Compounds (VOC), and Oxides of Nitrogen (NO_x). The submittal also includes a demonstration that the Chicago Area has achieved a sufficient emission reduction needed to meet contingency measure requirements under the Act. In addition, EPA is proposing in this rulemaking to approve as a revision to the SIP certain Transportation Control Measures (TCM) included in the plan. EPA will take final rulemaking action once Illinois adopts and submits the final Post-1996 ROP Plan. If the final adopted plan is significantly different from the proposed plan, which is the basis of this parallel proposed rulemaking, EPA will repropose its rulemaking.

DATES: Written comments must be received on or before April 3, 2000.

ADDRESSES: You should address written comments to: J. Elmer Bortzer, Chief, Regulation Development Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.