

III. Discussion

The Commission finds that the proposed rule change is consistent with Section 6 of the Act⁹ and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission finds the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act¹⁰ which requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.¹¹

The proposed rule change is consistent with the requirements of the Act because by conforming the composition of the Emergency Committee to structural amendments that were made to the Exchange's governance structure, the proposed rule will help to ensure that the Emergency Committee can operate in times of emergency, which will foster investor and public interest, and promote just and equitable principles of trade.

The proposed rule is making one new change to the structure of the Emergency Committee by replacing the President, which the Exchange no longer has, with the On-Floor Vice Chairman. While this means that the Emergency Committee will have, at a minimum, two On-Floor representatives—the On-Floor Vice Chairman and the Chairman of the Floor Procedure Committee—the Commission believes that the Exchange has justified the change.¹² The Exchange notes that addition of the On-Floor Vice Chairman will preserve the five-member structure of the Emergency Committee, minimizing the possibility of a tie vote on the Emergency Committee, and provides the Emergency Committee with the most qualified replacement for the President; that is, a member that can contribute direct knowledge of any potential or existing emergencies existing on the trading floor.¹³ In addition, while the Commission would be concerned about any committee structure that is dominated by one Exchange interest, the Commission believes that the Chairman of the Board,

as well as the other remaining members of the Emergency Committee, which may or may not be from the floor, should help to convert any such concerns. The Commission is granting accelerated approval to this proposed rule change for a 120-day pilot basis to allow the Exchange to further consider whether the overall Emergency Committee structure ensures that all Exchange interests are fairly represented.¹⁴

By clarifying that the Emergency Committee has the authority to take action if "extraordinary market conditions or other emergencies" arise due to the Year 2000 date change, the proposed rule also removes possible impediments to the Exchange's market that may arise due to the Year 2000 date change, thereby perfecting the mechanism of a free and open market and a national market system. As noted by the Exchange, the proposed Rule was submitted as part of the Year 2000 contingency plan designed by the Exchange's Year 2000 Task Force. The Commission notes that the current rule gives the Emergency Committee the power to act in any "emergency condition," which in the Commission's opinion, would include one created by the Year 2000 date change.¹⁵ While the Exchange desired to clarify this, the Commission notes that the Rule proposal does not go beyond true emergency situations. Accordingly, not every problem that arises from the Year 2000 date change would necessarily rise to the level of an emergency warranting action by the Emergency Committee.

Finally, by deleting references to CENTRAMART, the proposed rule makes clear that this equity order system is no longer in use at the Exchange. Taken together, then, the provisions of the proposed rule change should protect investors and the public interest.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. Accelerated approval

of the proposed rule change should help the Emergency Committee to be ready to take action on issues related to the Year 2000 date change prior to January 1, 2000. The Commission notes that the Exchange's proposal was published in the **Federal Register** for the full statutory period and no comments were received. Therefore, the Commission believes it is consistent with Section 6(b)(5) and Section 19(b)(2) of the Act to grant accelerated approval to the proposed rule change.¹⁶

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁷ that the proposed rule change (SR-PHLX-99-42), as amended, is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁸

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 42271; File No. SR-PHLX-99-45]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to a Pilot Program to Impose Fees For Computer Equipment Services, Repairs or Replacements and Relocation of Computer Equipment

December 23, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 29, 1999, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. On December 16, 1999, the Exchange

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹² The Commission notes that previously, the President could have been a floor member.

¹³ Letter from Richard S. Rudolph, Counsel, Exchange, to Rebekah Liu, Special Counsel, Division, Commission, dated November 16, 1999.

¹⁴ The Commission requests that the Exchange report back to the Commission 45 days prior to the expiration of the 120-day pilot on its views as to whether the Emergency Committee structure ensures that all Exchange interests, including On-Floor and Off-Floor, are fairly represented on the committee.

¹⁵ Previously, the Exchange described "extraordinary market or emergency conditions" as, among other things, a declaration of war, a presidential assassination, an electrical blackout, or events such as the 1987 market break or other highly volatile trading conditions that require intervention for the market's continued efficient operation. Letter from William W. Uchimoto, General Counsel, Exchange, to Sharon L. Itkin, Division, Commission, dated March 15, 1989.

¹⁶ 15 U.S.C. 78f(b)(5) and 78s(b)(2).

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 USC 78s(b)(1).

² 17 CFR 240.19b-4.

submitted Amendment No. 1³ to the proposed rule change.⁴

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

The Exchange proposes to amend its schedule of dues, fees, and charges to require all members on the options and equity floors to pay a new fee for computer equipment services, repairs or replacements and a fee for member-requested relocation of computer equipment.⁵ These fees will be imposed on a three-month pilot basis beginning on January 1, 2000 and ending on March 31, 2000.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The proposed rule change amends the Phlx's fee schedule in two ways. First, the Exchange would amend its schedule of dues, fees and charges to impose a new fee on all members on the options and equity floors for computer equipment services, repairs or replacements on the trading floors. Specifically, the Exchange proposes to charge \$100 for every service call plus \$75 an hour, with a minimum of two hours charged.⁶ However, members will not be billed for computer equipment services, repairs or replacements when

new or refurbished equipment fails in the normal and customary manner of usage within 30 days of installation.

The Exchange represents that these charges will cover the cost of servicing, repairing or replacing computer equipment on the options and equity floors.⁷ The Exchange receives 90 percent of calls on a routine basis to repair, replace or otherwise service keyboards, track balls, printers and other computer equipment from options or equity floor members' work stations. The Exchange represents that this new fee is intended to help cover the costs associated with the maintenance and replacement of computer equipment, as well as to encourage care in using the computer equipment.

Second, the Exchange would amend its schedule of dues, fees, and charges to also impose another new fee for member-requested relocation of a member's work station or any piece of their computer equipment on the options or equity floor. In this case, the Exchange proposes to charge a \$100 service fee plus \$75 per hour per person moving the equipment, with a minimum of two hours charged for each relocation request.⁸ The Exchange represents that the proposed fees are similar to provisions adopted by the Pacific Exchange, Inc. ("PCX") and the Chicago Board Options Exchange ("CBOE").⁹

The Exchange represents that the post/equipment relocation fee will assist in defraying the costs associated with the moving of computer equipment. The Exchange states that on the options and equity floors, the relocations can be very time-consuming and costly since nearly all relocations take place after hours or on the weekends.

The Exchange intends to prepare pre-printed forms that floor members can complete prior to requesting repair or relocation service. A Notice to Members describing the equipment repair and relocation request procedures will be sent to all floor members prior to implementation.¹⁰

The Exchange proposes to impose these new fees, to be billed monthly, effective January 1, 2000 through March 31, 2000, to give the Exchange the ability to monitor, and re-evaluate if necessary, the procedures. These procedures include instructions to members as to where the service request forms will be located, directions as to how to complete the form and which department is required to forward the forms to the accounting department. The procedures will also include a provision that states that members will not be billed for computer equipment services, repairs or replacements when new or refurbished equipment fails in the normal and customary manner of usage within 30 days of installation. In addition, the three-month pilot program will give the Exchange the opportunity to determine whether the fees for computer equipment services, repairs or replacements and member-requested relocation of computer equipment that are charged to member are appropriate and reflect the costs for these services that are incurred by the Exchange.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4),¹² in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

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

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

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

No written comments were either solicited or received.

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

The foregoing rule change establishes or changes a due, fee or charge imposed by the Exchange and, therefore, has become effective upon filing pursuant to Rule 19(b)(3)(A) of the Act¹³ and Rule

³ In Amendment No. 1, the Exchange provided, among other things, the dates during which the pilot program will be in effect, clarified why the fees are being imposed, to whom they apply, and represented that it will circulate a Notice to Members announcing the pilot program. See Letter from Cynthia K. Hoeskstra, Counsel, Phlx, to Jennifer Colihan, Attorney, Division of Market Regulation ("Division"), SEC, dated December 16, 1999 ("Amendment No. 1").

⁴ Because of the substantive nature of Amendment No. 1, the Commission deems the proposal to be filed and effective as of December 16, 1999, the date on which Amendment No. 1 was filed.

⁵ A fee will not be charged for new installation of computer equipment.

⁶ Some component of this amount may reflect Pennsylvania sales tax.

⁷ This proposed fee will apply to all such requests with no distinction between intentional abuse or normal wear and tear due to the difficulties associated with categorizing the types of repairs.

⁸ For example, if two individuals take two hours to relocate a work station, the member will be charged \$100 for the service call, plus \$300 for moving the equipment (\$75 × four (two people × two hours)). Again, some component of this amount may reflect Pennsylvania sales tax.

⁹ See Securities and Exchange Act Release Nos. 41567 (June 28, 1999), 64 FR 36417 (July 6, 1999) (SR-PCX-99-19) and 29482 (July 24, 1999), 56 FR 36180 (July 31, 1999) (SR-CBOE-91-27).

¹⁰ This paragraph was clarified pursuant to a telephone conversation between Cynthia Hoekstra, Counsel, Phlx, and Jennifer Colihan, Attorney, SEC on December 21, 1999.

¹¹ 15 USC 78f(b).

¹² 15 USC 78f(b)(4).

¹³ 15 USC 78s(b)(3)(A).

19b-4(f)(2)¹⁴ thereunder.¹⁵ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in

the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-99-45 and should be submitted by January 24, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

In compliance with Public Law 104-13, the Paperwork Reduction Act of 1995, SSA is providing notice of its information collections that require submission to the Office of Management and Budget (OMB). SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of

automated collection techniques or other forms of information technology.

I. The information collections listed below will be submitted to OMB within 60 days from the date of this notice. Therefore, comments and recommendations regarding the information collections would be most useful if received by the Agency within 60 days from the date of this publication. Comments should be directed to the SSA Reports Clearance Officer at the address listed at the end of this publication. You can obtain a copy of the collection instruments by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him at the address listed at the end of this publication.

1. Report to United States Social Security Administration by Person Receiving Benefits for a Child or Adult Unable to Handle Funds—0960-0049. The information on Forms SSA-7161-OCR-SM and 7162-OCR-SM is used by the Social Security Administration (SSA) to determine continuing entitlement and proper benefit amounts for Social Security beneficiaries who live outside the United States (U.S.). The respondents are persons living outside the U.S. who are entitled to benefits or who are representative payees for an entitled beneficiary.

	SSA-7161-OCR-SM	SSA-7162-OCR-SM
Number of Respondents:	30,000	200,000
Frequency of Response:	1	1
Average Burden Per Response (minutes):	15	5
Estimated Annual Burden (hours):	7,500	16,667

2. State Agency Schedule for Equipment Purchases for SSA Disability Programs—0960-0406. SSA uses the information collected on Form SSA-871 to budget and account for expenditures of funds for equipment purchases by the State Disability Determination Services (DDS) that administer the disability determination program. The respondents are State governments that make disability determinations.

Number of Respondents: 54.

Frequency of Response: 4.

Average Burden Per Response: 60 minutes.

Estimated Annual Burden: 216 hours.

3. Physical Residual Functional Capacity Assessment; Mental Residual Functional Capacity Assessment—0960-0431. The information collected on forms SSA-4734-BK and SSA-4734-

BK-SUP is needed by SSA to assist in the adjudication of disability claims involving physical and/or mental impairments. The forms assist the State DDS to evaluate impairment(s) by providing a standardized data collection format to present findings in a clear, concise and consistent manner. The respondents are State DDSs administering title II and title XVI disability programs.

Number of Responses: 1,130,772.

Frequency of Response: 1.

Average Burden Per Response: 20 minutes.

Estimated Annual Burden: 376,924 hours.

4. Letter to Employer Requesting Wage Information—0960-0138. The information collected on form SSA-L4201 is used by SSA to determine

eligibility and proper benefit payments for SSI applicants/recipients. The respondents are employers of applicants for and recipients of SSI payments.

Number of Respondents: 133,000.

Frequency of Response: 1.

Average Burden Per Response: 30 minutes.

Estimated Annual Burden: 66,500 hours.

5. Privacy and Disclosure of Official Records and Information: Availability of Information and Records to the Public—20 CFR 401 and 402—0960-0566. The respondents are individuals requesting access to their SSA records, correction of their SSA records and disclosure of SSA records. This information is required to:

(a) Identify individuals who request access to their records:

¹⁴ 17 CFR 240.19b-4(f)(2).

¹⁵ In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 USC 78c(f).

¹⁶ 17 CFR 200.30-3(a)(12).