

become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder. In particular, the Commission believes the proposal would qualify as a "noncontroversial filing" in that the proposed standards do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to SR-CBOE-96-30 and should be submitted by July 15, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

Jonathan G. Katz,  
Secretary.

[FR Doc. 96-16029 Filed 6-21-96; 8:45 am]

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[Release No. 34-37315; File No. SR-OCC-95-18]

#### Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Clarifying Rules Regarding the Unavailability of Current Index Values

June 17, 1996.

On November 24, 1995, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-95-18) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> On March 19, 1996, OCC amended the proposed rule change.<sup>2</sup> Notice of the proposal was published in the Federal Register on March 27, 1996.<sup>3</sup> No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

#### I. Description of the Proposal

OCC has determined that certain technical changes should be made to its rules to clarify the respective rights and responsibilities of OCC and the options exchanges ("exchanges")<sup>4</sup> with respect to the reporting of current index values and the determination of settlement values. Specifically, OCC is amending Article XVII, Section 4 of its by-laws, which empowers OCC to fix an exercise settlement amount in the event that OCC determines that the current index value is unreported or otherwise unavailable, to clarify that OCC has the authority to fix an exercise settlement amount whenever the primary market for the securities representing a substantial part of the value of an underlying index is not open for trading at the time when the current index value *i.e.*, the value used for exercise settlement purposes) ordinarily would be determined. OCC believes this authority is implicit in the language of the present by-law because in such circumstances the current index value would generally be "unreported or otherwise unavailable;" however, OCC believes the rule change will make OCC's authority explicit.

In addition, the rule change assigns the responsibility for fixing exercise

settlement amounts in situations where the current index value is unavailable or inaccurate to a panel consisting of OCC's Chairman and two designated representatives of each exchange on which the affected series is open for trading, one of whom shall be such exchange's representative on OCC's Securities Committee. This procedure to assign the decision-making responsibility to an exchange-controlled panel conforms with the procedures used in making determinations with respect to adjustments made pursuant to Article VI, Section 11.<sup>5</sup> The rule change authorizes the panel to fix the exercise settlement amount based on its judgment as to what is appropriate for the protection of investors and the public interest taking into account factors such as fairness to holders and writers and the maintenance of fair and orderly markets. The panel may, but is not restricted to, fixing the exercise settlement amount on the basis of the reported level of the underlying index at the close of trading on the last preceding trading day for which a closing index level was reported.

Identical changes also are being made to Article XXIII, Section 5, which governs the fixing of exercise settlement amounts for Flexibly Structured Index Options Denominated in a Foreign Currency ("FX Index Options"). Under these proposed changes, the situation contemplated by the last two sentences of the definition of "expiration date" in Article XXIII, Section 1.E.(3) (*i.e.*, where the primary markets for underlying securities representing a substantial part of the value of an index is closed on an expiration date) will be explicitly covered by Article XXIII, Section 5; therefore, the last two sentences of Article XXIII, Section 1.E. (3) will be deleted.

The remainder of the changes to OCC's by-laws are technical changes that are being made primarily for the purpose of conforming OCC's by-laws to changes made in the Commission's approval of FX Index Options.<sup>6</sup>

#### II. Discussion

Section 17A(b)(3)(F)<sup>7</sup> requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> Letter from James C. Yong, First Vice President and General Counsel, OCC, to Jerry W. Carpenter, Assistant Director, Division of Market Regulation, Commission (March 19, 1996).

<sup>3</sup> Securities Exchange Act Release No. 36988 (March 20, 1996), 61 FR 13558.

<sup>4</sup> The exchanges include the American Stock Exchange, the Chicago Board Options Exchange, the New York Stock Exchange, the Pacific Stock Exchange, and the Philadelphia Stock Exchange.

<sup>5</sup> Section 11 of Article VI sets forth the procedures by which adjustments are made to options when there is a distribution, stock split, rights offering, reorganization or similar event with respect to the underlying security.

<sup>6</sup> For a complete description of FX Index Options, refer to Securities Exchange Act Release No. 35149 (January 3, 1995), 60 FR 158 [File No. SR-OCC-94-08] (order approving proposed rule change).

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

<sup>8</sup> Because the Exchange filed Amendment No. 1 subsequent to the original filing date, the 30-day period commences on the filing date of Amendment No. 1.

<sup>8</sup> 17 CFR 200.30-3(a)(12) (1994).

securities transactions. The Commission believes that OCC's proposed rule change is consistent with OCC's obligations under Section 17A(b)(3)(F) because the proposal will clarify OCC's exercise settlement procedures with respect to the determination of index values and exercise settlement values in the event such values are unavailable or unreported by the designated reporting authorities. Furthermore, the Commission believes that the rule change should clarify the respective rights and responsibilities of OCC and the exchanges in such circumstances.

As described earlier, the responsibility for fixing exercise settlement amounts is now assigned to a panel consisting of OCC's Chairman and two designated representatives of each exchange on which the affected series is open for trading. In the past, the Commission has approved this concept of utilizing an exchange-controlled panel to make determinations with respect to adjustments to options contracts.<sup>8</sup> The Commission believes that assigning the responsibility for fixing exercise settlement amounts in certain situations to an exchange-controlled panel also is appropriate in this situation. Furthermore, because the proposal sets forth factors which can be considered in making any such adjustments, the proposal should add certainty to the settlement of index options. Therefore, as a whole the proposal should facilitate the prompt and accurate clearance and settlement of securities transactions.

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-95-18) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

Jonathan G. Katz,  
Secretary.

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<sup>8</sup> Securities Exchange Act Release No. 24024 (January 23, 1987), 52 FR 3184 [File No. SR-OCC-86-11] (order granting approval of a proposed rule change to amend OCC's by-laws concerning adjustments to the terms of outstanding stock option contract).

<sup>9</sup> 17 CFR 200.30-3(a)(12) (1995).

## DEPARTMENT OF TRANSPORTATION

### Aviation Proceedings; Agreements Filed During the Week Ending June 14, 1996

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C 412 and 414. Answers may be filed within 21 days of date of filing.

*Docket Number:* OST-96-1444

*Date filed:* June 10, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

TC31 Reso/P 1119 dated May 21, 1996  
South Pacific Resos r1-24

Minutes—TC31 Meet/P 0243 dated  
May 24, 1996

Tables—TC31 Fares 0183 dated June  
4, 1996

Intended effective date: October 1,  
1996

*Docket Number:* OST-96-1445

*Date filed:* June 10, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

TC2 Reso/P 1942 dated May 10, 1996  
r1-4

TC2 Reso/P 1945 dated May 10, 1996  
r5-6

TC2 Reso/P 1946 dated May 10, 1996  
r7-11

TC2 Reso/P 1950 dated May 10, 1996  
r12

TC2 Reso/P 1951 dated May 10, 1996  
r13-26

TC2 Reso/P 1952 dated May 10, 1996  
r27-29

Minutes—TC2 Meet/P 0367 dated  
June 4, 1996

TC2 Meet/P 0368 dated June 4, 1996  
(Summary attached.)

Intended effective date: Sept. 1/Nov.  
1/March 27, 1997

*Docket Number:* OST-96-1446

*Date filed:* June 10, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

TC12 Reso/P 1747 dated April 30,  
1996 r1-25

TC12 Reso/P 1748 dated April 30,  
1996 r26-34

TC12 Reso/P 1746 dated April 30,  
1996 r35

Correction—TC12 Reso/P 1753 dated  
May 24, 1996

Minutes—TC12 Meet/P 0577 dated  
May 31, 1996

Tables—TC12 Fares 0503 dated May  
3, 1996

TC12 Fares 0504 dated May 7, 1996  
TC12 Fares 0505 dated May 14, 1996

Europe-Mid Atlantic Resolutions  
Intended effective date: October 1,  
1996

*Docket Number:* OST-96-1455

*Date filed:* June 14, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

TC2 Reso/C 0380 dated May 31, 1996  
r1

TC3 Reso/C 0086 dated May 31, 1996  
r2

TC23 Reso/C 0221 dated May 31,  
1996 r3

TC31 Reso/C 0250 dated May 31,  
1996 r4

COMP Reso/C 0666 dated May 31,  
1996 r-5

Expedited Cargo Resolutions (NO US/  
US Territories) (Summary attached.)

Intended effective date: July 1/August  
1, 1996

*Docket Number:* OST-96-1456

*Date filed:* June 14, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

COMP Reso/C 0663 dated May 31,  
1996

Expedited Reso 003aa (US, US  
Territories) (Summary attached.)

Intended effective date: July 1, 1996

Paulette V. Twine,

Chief, Documentary Services Division.

[FR Doc. 96-15998 Filed 6-21-96; 8:45 am]

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## Federal Aviation Administration

### Air Traffic Procedures Advisory Committee

**AGENCY:** Federal Aviation  
Administration (FAA), DOT.

**ACTION:** Notice of meeting.

**SUMMARY:** The FAA is issuing this notice to advise the public that a meeting of the Federal Aviation Administration Air Traffic Procedures Advisory Committee (ATPAC) will be held to review present air traffic control procedures and practices for standardization, clarification, and upgrading of terminology and procedures.

**DATES:** The meeting will be held from July 15 through July 18, 1996, from 9 a.m. to 5 p.m. each day.

**ADDRESSES:** The meeting will be held at the Danfords Inn, 25 East Broadway, Port Jefferson, New York.

**FOR FURTHER INFORMATION CONTACT:** Mr. W. Frank Price, Executive Director, ATPAC, Air Traffic International Staff, ATX-20,800 Independence Avenue, SW., Washington, DC 20591, telephone (202) 267-9313.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463;