

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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-PHLX-98-10 and should be submitted by April 7, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-6763 Filed 3-16-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39741; File No. SR-PHLX-98-03]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Disputes and Floor Official Rulings

March 11, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 22, 1998, 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 PHLX.² The

Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The PHLX proposes to amend its rules by (1) replacing the current text of PHLX Rule 124, "Disputes," with new text; and (2) adopting Floor Procedure Advice ("Advice") F-27, "Floor Official Rulings—Options" and Advice F-27, "Floor Official Rulings—Equity," (together, the "Advices"), which incorporate and expand upon the provisions of proposed PHLX Rule 124 and will appear in the PHLX's Floor Procedure Advice Handbook. Proposed PHLX Rule 124(a) will allow floor officials to resolve trading disputes occurring on and relating to the trading floor if the dispute is not settled by agreement between the interested members or by a vote of members with knowledge of the transaction. In resolving trading disputes, a floor official may direct the execution of an order on the floor or adjust the transaction terms or participants to an executed order. In addition, two floor officials may nullify a transaction under certain circumstances.³ Proposed PHLX Rule 124(b) states that all floor official rulings, including rulings made pursuant to PHLX Rule 60, "Assessments for Breach of Regulations," and pursuant to the PHLX's minor rule violation enforcement and reporting plan ("minor rule plan"),⁴ are effective immediately and must be complied with promptly. Proposed PHLX Rule 124(c) states that floor officials' rulings issued pursuant to the PHLX's Order and Decorum Regulations are reviewable pursuant to PHLX Rule 60, and floor officials'

rulings issued pursuant to Floor Procedure Advices are reviewable pursuant to PHLX Rule 970. All other floor officials' rulings are reviewable pursuant to proposed PHLX Rule 124(d), which addresses trading disputes. Among other things, the proposed Advices contain a conflict of interest provision which states that a floor official should not render a decision or authorize a citation where the floor official was involved in or affected by the dispute, or in any situation where the floor official is not able to objectively and fairly render a decision. The conflict of interest provision applies to all rulings by floor officials.

Copies of the proposed rule change are available at the Office of the Secretary, PHLX, and at the Commission.

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

In its filing with the Commission, the PHLX included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The PHLX 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 PHLX proposes to codify its procedures regarding floor officials' rulings by replacing the current text of PHLX Rule 124 with a new PHLX Rule 124 and adopting two Advices, which will be published in the PHLX's Floor Procedure Advice handbook.

PHLX Rule 124, as amended, will: (1) State that trading disputes not settled by the trading crowd may be referred to a PHLX floor official, define a floor official's duties, and establish procedures for reviewing floor officials' rulings in connection with trading disputes; and (2) require prompt compliance with all rulings by floor officials and establish a conflict of interest procedure applicable to all rulings by floor officials.

Proposed PHLX Rule 124(a) provides that disputes occurring on and relating to the trading floor, if not settled by agreement between the interested members, shall be settled, if practicable,

²⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² On March 3, 1998, the PHLX amended the filing. See Letter from Linda S. Christie, Counsel PHLX, to Yvonne Fraticelli Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated March 3, 1998 ("Amendment No. 1"). In Amendment No. 1, the PHLX modified the text of proposed PHLX Rule 124 to indicate that two options floor officials (rather than one floor official) may nullify a transaction if they determine that the transaction violated any of the following PHLX Rules: 1014, "Obligations and Restrictions Applicable to Specialists and ROTs;" 1015, "Quotation Guarantees;" 1017, "Priority and Parity at Openings in Options;" 1033, "Bids and Offers—Premium;" or 1080, "PHLX Automated Options Market (AUTOM) and Automatic Execution System (AUTO-X)." The amendment also states that two equity floor officials (rather than one floor official) may nullify a transaction if they determine that the transaction violated any of the following PHLX Rules: 110, "Bids and Offers—Precedence;" 111, "Bids and Offers Binding;" 118, "Bids and Offers

Outside Best Bid and Offer;" 119, "Precedence of Highest Bid;" 120, "Precedence of Offers at Same Price;" 126, "'Crossing' Orders;" 203, "Agreement of Specialists;" 218, "Customer's Order Receives Priority;" 229, "Philadelphia Stock Exchange Automated Communication and Execution System (PACE);" 232, "Handling Orders When the Primary Market is Not Open for Free Trading (EXP, PPS, GTX Orders);" or 455, "Short Sales." Originally, proposed PHLX Rule 124 stated that a floor official may nullify an executed order on the Exchange floor. However, two proposed Floor Procedure Advices submitted as part of the proposal indicated that nullification of a transaction requires action by two floor officials. Amendment No. 1 makes the text of proposed PHLX Rule 124 consistent with the two proposed Floor Procedure Advices by indicating that two floor officials, rather than one floor official, may nullify a transaction if the floor officials determine that the transaction violated one of the PHLX rules enumerated in the proposed Floor Procedure Advices.

³ See Amendment No. 1, *supra* note 2.

⁴ See PHLX Rule 970, "Floor Procedure Advice: Violations, Penalties, and Procedures."

by vote of the members knowing of the transaction; if not so settled, the disputes shall be settled by a floor official summoned to the trading crowd. In resolving trading disputes, floor officials may institute the course of action deemed to be most fair to all parties under the circumstances at the time. A floor official may direct the execution of an order on the floor or adjust the transaction terms or participants to an executed order. In addition, two floor officials may nullify an executed order on the floor under certain circumstances.⁵ The proposed Advices state that floor officials need not render decisions unless the request for a ruling is made within a reasonable period of time.

Proposed PHLX Rule 124(b) states that all rulings rendered by floor officials are effective immediately and must be complied with promptly. Failure to comply promptly with a ruling concerning a trading dispute may result in a referral to the PHLX's Business Conduct Committee ("BCC"). Failure to comply with floor officials' rulings issued pursuant to the PHLX's Order and Decorum Regulations (PHLX Rule 60), or pursuant to Floor Procedure Advices (PHLX Rule 970), and not concerning a trading dispute, may result in an additional violation of that regulation or Floor Procedure Advice. For example, a first violation due to disorderly conduct that does not cease promptly after the violation is issued by a floor official would result in a second violation, also for disorderly conduct.

Proposed PHLX Rule 124(c) identifies the procedures for review of floor officials' rulings. Specifically, proposed PHLX Rule 124(c) states that floor officials' rulings issued under the PHLX's Order and Decorum Regulations are reviewable pursuant to PHLX Rule 60. Floor officials' rulings issued under Floor Procedure Advices are reviewable pursuant to PHLX Rule 970. All other floor officials' rulings, including those regarding trading disputes, are reviewable pursuant to the procedures established in proposed PHLX Rule 124(d).

Under proposed PHLX Rule 124(d), floor officials' rulings for options and foreign currency option ("FCO") trading are reviewable by a minimum of three members of the appropriate Subcommittee on Rules and Rulings, a subcommittee of the standing floor committee, which shall be empowered by the standing floor committee to review such rulings, or the Chairperson of the standing committee (or his designee) if three Subcommittee

members cannot be convened promptly. With respect to equity trading, floor officials' ruling are reviewable by a minimum of three members of the Floor Procedure Committee, or the Chairperson of the Floor Procedure Committee (or his designee) if three members cannot be convened promptly. This will be the designated Review Panel for floor officials' rulings.

Proposed PHLX Rule 124(d) also allows the Exchange to establish the procedures for the submission of a request for a review of a floor official's ruling. Floor officials' rulings may be sustained, overturned, or modified by a majority vote of the Review Panel members present. In making the determination, the Review Panel may consider facts and circumstances not available to the ruling floor official as well as action taken by the parties in reliance on the floor official's ruling (e.g., cover, hedge, and related trading activity). Decisions of the Review Panel are final and may be appealed to the PHLX's Board of Governors as a final decision of the standing floor committee delegating such power, pursuant to PHLX By-Law Article XI, "Appeals."

In codifying proposed PHLX Rule 124, the proposed Advices contain many of the same provisions as the proposed rule. In addition, the proposed Advices state that a floor official should not render a decision or authorize a citation where the floor official is not able to objectively and fairly render a decision. Floor officials are empowered to render rulings on the trading floor to resolve trading disputes occurring on and respecting activities on the trading floor. Floor officials shall endeavor to be prompt in rendering decisions. However, in any instance where a floor official has determined that the benefits of further discovery as to the facts and circumstances of any matter under review outweigh the monetary risks of a delayed ruling, the floor official may determine to delay rendering the ruling until such time as that further discovery is completed. In issuing decisions for the resolution of trading disputes, floor officials shall institute the course of action deemed by the ruling floor official to be most fair to all parties under the circumstances at the time.

The proposed Advices also state that a floor official may direct the execution of an order on the floor, or adjust the transaction terms or participants to an executed order on the floor. However, two equity floor officials may nullify a transaction if they determine that the transaction violated any of the following PHLX Rules: 110, "Bids and Offers—Precedence;" 111, "Bids and Offers Binding;" 118, "Bids and Offers Outside

Best Bid and Offer;" 119, "Precedence of Highest Bid;" 120, "Precedence of Offers at Same Price;" 126, "Crossing" Orders;" 203, "Agreement of Specialists;" 218, "Customer's Order Receives Priority;" 229, "Philadelphia Stock Exchange Automated Communication and Execution System (PACE);" 232, "Handling Orders When the Primary Market is Not Open for Free Trading (EXP, PPS, GTX Orders);" or 455, "Short Sales."

With respect to option or FCO trading, two floor officials may nullify a transaction if they determine the transaction violated any of the following PHLX Rules: 1014, "Obligations and Restrictions Applicable to Specialists and ROTs;" 1015, "Quotation Guarantees;" 1017, "Priority and Parity at Openings in Options;" 1033, "Bids and Offers-Premium;" or 1080, "PHLX Automated Options Market (AUTOM) and Automatic Execution System (AUTO-X)."

The proposed Advices note that floor officials' rulings may be appealed and that requests for such review must be submitted to the Director of the PHLX's Market Surveillance Department (or his designee) within 15 minutes from the time the contested ruling was rendered. The reviewing committee shall endeavor to meet on the matter as soon as practicable after notice of a request for a review of the floor official's ruling. Neither floor officials' rulings or reviews of floor officials' rulings preclude a person from seeking redress from the Exchange's arbitration facilities.⁶

In summary, the PHLX's proposal consists of amendments to PHLX Rule 124 and the adoption of two versions of Advice F-27, one for equity trading and one for options and FCO trading. The text of proposed Advice F-27, applicable to the equity floor varies slightly from that dealing with options in that it contains references to specific equity, as opposed to option, trading rules. The proposed Advices will appear in the Exchange's Floor Procedure Advice handbook, although no fine schedule will apply. The trading floor membership will be notified of these procedures by way of a memorandum and the proposal will take effect upon notice to the membership.

Current PHLX Rule 124 provides that disputes arising on bids or offers, if not settled by agreement between the interested members, shall be settled, if practicable, by votes of the members knowing of the transaction; if not so settled, the disputes will be settled by the appropriate floor standing

⁵ See Amendment No. 1, *supra* note 2.

⁶ See PHLX Rule 950, "Arbitration."

committee,⁷ whose authority to settle disputes derives from the Exchange's By-Laws.⁸ In practice, the FCO Committee and the Options Committee have delegated this authority to their respective Subcommittees on Rules and Rulings, and, further, to the floor officials who comprise those subcommittees.⁹ For equity trading, the Floor Procedure Committee, the standing committee, continues to settle disputes and the floor officials for that trading floor are Floor Procedure Committee members.

Currently, when a dispute arises in a trading crowd, a floor official may be summoned to resolve it. If a party to the dispute disagrees with a floor official's resolution, that party may request a review of the floor official's ruling. PHLX floor officials also may authorize citations for violations of Floor Procedure Advices pursuant to the PHLX's minor rule plan.¹⁰ In addition, floor officials may impose assessments for violations of the Exchange's Order and Decorum Regulations. Thus, the PHLX's proposal covers all floor official decisions, whether pertaining to Floor Procedure Advices, Order and Decorum Regulations, or trading disputes in general, except that the review process, set forth in proposed PHLX Rule 124(d), pertains only to trading disputes. The review process for violations of the Floor Procedure Advices pursuant to PHLX Rule 970 involves the PHLX's BCC Rule 60 governs the review process for violations of the PHLX's Regulations of Order and Decorum.

The PHLX proposes to amend PHLX Rule 124 to incorporate the dispute procedures and the role of floor officials expressly into the rule to enable interested persons to refer directly to the Exchange's rule book for the provisions

governing disputes. For the same reason, the PHLX proposes to adopt the Advices, so that the procedures for handling trading disputes and other rulings will appear in the Exchange's Floor Procedure Advice handbook.¹¹

In codifying the role of floor officials and the procedure for issuing rulings, including the ability of floor officials to adjust, direct or nullify trades, the proposal also codifies the use of certain standing floor committees' Subcommittees on Rules and Rulings, comprised of floor officials, to review floor officials' trading dispute decisions, as explained above. The procedure for review of floor officials' rulings also is enumerated, including a 15-minute deadline for requesting a review and a guideline that the review take place as soon as practicable.¹² With respect to the ability of two floor officials to nullify trades, the Exchange believes that listing specific rules should guide floor officials in deciding which situations warrant this measure.¹³ Thus, two versions of Advice F-27 are proposed, one for the options and FCO floors and one for the equity floor, each specifically listing the rules that may trigger the need to nullify a trade. These rules predominately pertain to trading procedures and parity/priority principles.

2. Statutory Basis

The PHLX believes that the proposed rule change is consistent with Section 6 of the Act, in general, and, in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, and protect investors and the public interest. Specifically, the PHLX believes that the codification of the procedures respecting floor officials' rulings should promote fairness, certainty, and integrity in the process of resolving disputes. The Exchange believes that the proposal concerning floor officials'

rulings also is consistent with Section 6(b)(6) of the Act as well as due process principles in that its members and associated persons shall be appropriately disciplined for violations of PHLX rules, in accordance with the proposed procedures respecting floor officials' rulings. In addition, floor officials' rulings may be appealed to a Review Panel, and, thereafter, to the PHLX's Board of Governors, consistent with PHLX By-Law XI, which authorizes appeals from standing committee decisions.

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

The PHLX does not believe that the proposed rule change 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 comments were solicited or received.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will by order approve such proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submission's should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC, 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 in the Commission's Public Reference

⁷ The appropriate floor standing committee for the equity floor is the Floor Procedure Committee; the appropriate floor standing committee for the equity options and index options floor is the Options Committee; and the appropriate floor standing committee for the FCO floor is the FCO Committee.

⁸ See PHLX By-Law Article X, "Standing Committees," Sections 10-16, "Floor Procedure Committee;" 10-17, "FCO Committee;" and 10-19, "Options Committee."

⁹ The authority to establish sub-committees appears in paragraph (b) of PHLX By-Law X, Section 10-3, "Proceedings of Special and Standing Committees."

¹⁰ The PHLX's minor rule plan, codified in PHLX Rule 970, contains Floor Procedure Advices with accompanying fine schedules. Rule 19d-1(c)(2) under the Act authorizes national securities exchanges to adopt minor rule violation plans for summary discipline and abbreviated reporting. Rule 19d-1(c)(1) under the Act requires prompt filing with the Commission of any final disciplinary action. However, minor rule violations not exceeding \$2,500 are deemed not final, thereby permitting periodic, as opposed to immediate, reporting.

¹¹ The PHLX proposes no fine schedule for the proposed Advices such that the Exchange's minor rule plan is not impacted at this time.

¹² The PHLX notes that these deadlines would apply to the extent practicable under the circumstances, particularly if convening a Review Panel proves to be difficult due to the time of day, heavy trading volume, or scheduling conflicts. In addition, respecting options trading, for example, the obligations respecting the maintenance of a fair and orderly market contained in PHLX Rule 1014, including market liquidity, as well as the due diligence requirements of PHLX Rule 1063 applicable to floor brokers, may prevail over the obligation of a floor official to provide a ruling or attend a review.

¹³ The Exchange notes that the ability to nullify a transaction is similar to CBOE Rule 6.20, "Admission to and Conduct on the Trading Floor," Interpretation and Policy .05.

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-98-03 and should be submitted by April 7, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-6765 Filed 3-16-98; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms and Recordkeeping Requirements Agency Information Collection Activity Under OMB Review

AGENCY: Office of the Secretary, DOT.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 3501, *et seq.*) this notice announces that the Department of Transportation has submitted an emergency processing public information collection request (ICR) to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995 (Pub. L. 104-113, 44 U.S.C. Chapter 35). OMB approval has been requested by March 31, 1998. The ICR abstracted below describes the nature of the information collection and its burden.

DATES: Comments on this notice must be received on or before April 17, 1998.

FOR FURTHER INFORMATION CONTACT: Mr. Marshall Schy, Federal Highway Administration (HRE-10); Department of Transportation, 400 Seventh St. SW., Washington, DC 20590 at (202) 366-2035.

SUPPLEMENTARY INFORMATION:

Office of the Secretary

Title: Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted Programs.

OMB Control Number: 2105-0508.

Affected Public: Federal, State, and Local government; individuals, households, businesses, farms, not-for-profit institutions.

Abstract: The regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR 24.9), require covered

agencies to maintain adequate records of acquisition and relocation activities under the Act. In addition, the Federal Highway Administration requires the 52 state highway agencies carrying out the Federal-aid highway program to report their Uniform Act acquisition and relocation activities once every third year. The latest ICR authorizing burden hours for these activities has expired. Therefore, the Department of Transportation is seeking emergency clearance to reinstate approval to collect the afore-mentioned information.

Estimated Annual Burden Hours: 29,000 hours.

Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW., Washington, DC 20503, Attention DOT Desk Officer.

Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

A comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

Issued in Washington, DC, on March 11, 1998.

Phillip A. Leach,

Clearance Officer, United States Department of Transportation.

[FR Doc. 98-6886 Filed 3-16-98; 8:45 am]

BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms and Recordkeeping Requirements Agency Information Collection Activity Under OMB Review

AGENCY: Office of the Secretary, DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and approval. The ICR describes the nature of the information collection and its expected burden. The **Federal Register** Notice with a 60-day

comment period soliciting comments was published on October 21, 1997 [FR 62, 54679].

DATES: Comments must be submitted on or before April 16, 1998.

FOR FURTHER INFORMATION CONTACT:

Barbara Davis, U.S. Coast Guard, Office of Information Management, telephone (202) 267-2326.

SUPPLEMENTARY INFORMATION:

United States Coast Guard

Title: Carriage of Bulk Solids Requiring Special Handling.

OMB No.: 2115-0100.

Form(s): N/A

Affected Public: Solid Bulk Cargo Vessel/Barge Owners or Operators.

Abstract: The information required to be submitted when applying for a Special Permit allows the Coast Guard to make a determination as to the severity of the hazard posed by the material, allows specific guidelines for safe carriage, or if determined that the material presents too great a hazard, to deny permission for shipping the material. The U.S. Coast Guard administers and enforces laws and regulations for the safe transportation and stowage of hazardous materials, including bulk solids. Under 46 CFR part 148, the Coast Guard has the authority to issue Special Permits for transportation and stowage of hazardous material on board vessels.

Burden Estimate: The estimated burden is 575 hours annually.

Addressee: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW., Washington, DC 20503, Attention USCG Desk Officer.

A comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

Comments are invited on: The need for the proposed collection of information for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency's estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques.

¹⁴ 17 CFR 200.30-3(a)(12).