

U.S.C. 552(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(A) and (10), permit consideration for the scheduled matters at the closed meeting.

The subject matter of the closed meeting scheduled Wednesday, May 3, 2000 will be:

Institution and settlement of injunctive actions; and, Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: April 26, 2000.

**Jonathan G. Katz,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42711; File No. SR-DTC-99-24]

### Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change Relating to Collateralization Procedures

April 21, 2000.

On October 27, 1999, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on January 14, 2000.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

#### I. Description

The rule change revises DTC's collateralization procedures<sup>3</sup> to provide for a systemic monitor to withhold collateral value for collateral associated with the participant (e.g., the participant's own commercial paper).<sup>4</sup> Specifically, DTC will implement an Issuer/Participant Number ("IPN")

control to systemically monitor collateral received in each participant's account.

The IPN will identify securities related to a participant and will withhold from the participant any collateral value associated with the securities. For example, transactions related to an issuing/paying agent ("IPA") account (e.g., receives versus payment) will continue to be processed in essentially same manner except that no value will be given to the IPA's collateral monitor for the collateral value of securities received that are associated with the IPA.

IPN is based on the legal structure of a participant; therefore, the IPA control will apply to every participant's account. For example, if a participant has an IPA account through which it issues money market instrument securities ("MMI securities") on its own behalf and also has a custody account and if the participant processes an MMI issuance delivery of its own MMI securities from its IPA account to its custody account, the participant would receive no collateral value in the custody account for the delivery of the MMI securities. IPN will not affect DTC's calculations of a participant's net debit cap or largest provisional net credit.

#### II. Discussion

Section 17A(b)(3)(F)<sup>5</sup> of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which the clearing agency is responsible. The Commission believes that DTC's proposed rule change is consistent with DTC's obligations under the Act because the new procedures will reduce the risk that a participant's collateral will not be sufficient to satisfy its settlement obligations.

DTC uses collateralization as a method to protect itself and its participant from the inability of one or more participants to pay its settlement obligations. Collateralization ensures that at all times each participant maintains collateral in its account equal to or greater than its net cash settlement obligation (i.e., its net debit). If a participant were to fail to pay its settlement obligation, DTC would use the collateral in the failing participant's account to support any borrowings necessary to finance the failing participant's settlement obligation or could liquidate the collateral to cover the participant's settlement obligation. If

a participant were to receive value in DTC's collateral monitor for collateral that is associated with the participant, DTC would probably not have sufficient collateral if that participant were to default because the participant's collateral would probably have little or no value in a default situation. Accordingly, the rule change establishes a systemic monitor that will withhold collateral value for collateral associated with a participant. This should help ensure that DTC will have sufficient resources to satisfy outstanding settlement obligations in the event of a participant default.

#### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A 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-DTC-99-24) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 00-10729 Filed 4-28-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42715; File No. SR-NASD-00-19]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Level I Market Data Fees

April 24, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 13, 2000, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly-owned subsidiary, Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been

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

<sup>2</sup> Securities Exchange Act Release No. 42323 (January 7, 2000), 65 FR 2449 (January 14, 2000).

<sup>3</sup> DTC's current procedures relating collateralization and risk management controls are set forth in memorandums dated March 17, 1995, which are attached as Exhibit 3 to DTC's filing.

<sup>4</sup> For a complete description of DTC's collateralization procedures, refer to Exhibit 2 of DTC's rule filing.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

prepared by Nasdaq. On April 18, 2000, Nasdaq submitted Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change, as amended.

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

Nasdaq filed a proposed rule change to amend NASD Rule 7010. Under the proposal, Nasdaq will establish a one-year pilot program, commencing with the April 3, 2000 billing period, to reduce by 50% the users fees for Level 1 market data delivered to non-professional users on a monthly basis, and to maintain the already-reduced fees for Level 1 market data delivered to non-professional users on a per query basis.

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

In its filing with the Commission, Nasdaq 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 III below. Nasdaq 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**

Nasdaq states that it has consistently supported the broadest, most effective dissemination of market information to public investors. Towards that end, in April of 1999, Nasdaq implemented a one-year pilot program that reduced by 50% the users fees for Level 1 market data delivered to non-professional users on a monthly basis (from \$4 to \$2), and also for Level 1 market data delivered to non-professional users on a per query basis (from \$.01 to \$.005).<sup>4</sup> In support of that pilot program, Nasdaq cited

increased usage of Level 1 market data, and the expectation that reduced fees would trigger a further expansion of usage.<sup>5</sup> Nasdaq has determined that the fee reduction has, in fact, led to increased usage of Level 1 market data.

To reaffirm its commitment to the broad dissemination of this data, Nasdaq is proposing a new one-year pilot program to reduce by 50% the users fees for Level 1 market data delivered to non-professional users on a monthly basis, and to maintain the current fees for Level 1 market data delivered to non-professional users on a per query basis. Under the proposed pilot, the non-professional per user fee would be reduced from \$2 to \$1 per month (equating to a 75% reduction in fees in two years), and the per query fee would be maintained at \$.005 per query. The non-professional user fees will be automatically billed to users at the reduced rate.

Nasdaq believes that reducing these market data fees reaffirms its commitment to individual investors, and responds to the dramatic increase in the demand for real-time market data by non-professional market participants. In addition, Nasdaq believes that reduced Nasdaq rates will lessen the costs the NASD member firms of supplying real-time market data to their customers through automated means, and may encourage current delayed-data vendors to offer increased access to real-time Level 1 data to their subscribers.

##### **2. Statutory Basis**

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5)<sup>6</sup> of the Act in that the proposal provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition.

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

Nasdaq has neither solicited nor received written comments on the proposed rule change.

### **III. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-00-19 and should be submitted by May 22, 2000.

### **IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change**

The Commission finds that the proposed rule change is consistent with the requirements of the Act<sup>7</sup> and the rules and regulations thereunder applicable to a national securities association. Specifically, the proposed rule change is consistent with Section 15A(b)(5)<sup>8</sup> in that the proposal should provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the Association operates or controls.

Recent technological developments have allowed vendors to provide their customers with more efficient and cost effective methods of executing securities transactions. The Commission expects that by reducing market data access fees, the investor will further benefit by a reduction in costs of executing these transactions. For the investor to make sound financial decisions, efficient and inexpensive access to market data information is vital. Thus, the Commission believes that reducing the market data fees should enhance investor access, and may encourage

<sup>3</sup> See Letter from Jeffrey S. Davis, Assistant General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, Commission, dated April 18, 2000 ("Amendment No. 1"). Amendment No. 1 clarifies that the pilot program will end on March 30, 2001.

<sup>4</sup> See Exchange Act Release No. 41499 (June 9, 1999), 64 FR 32910 (June 19, 1999).

<sup>5</sup> *Id.*

<sup>6</sup> 15 U.S.C. 78o-3(b)(5).

<sup>7</sup> In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78o-3(b)(5).

increased investor participation in the securities.

Pursuant to Section 19(b)(2),<sup>9</sup> the Commission finds good cause for approving the proposed rule change, as amended, prior to the thirtieth day after the date of publication of notice of the filing in the **Federal Register**. The Commission believes that granting accelerated approval of the proposal will allow Nasdaq to expeditiously implement the pilot program to reduce market data fees without any unnecessary delay and should confer a benefit upon those firms that provide real-time data to their customers and subscribers. The Commission also notes that it did not receive any comments on the previous pilot program. Accordingly, the Commission does not believe that the current filing raises any regulatory issues not raised by the previous filing.

*It is Therefore Ordered*, pursuant to Section 19(b)(2)<sup>10</sup> of the Act, that the proposed rule change, as amended, (SR-NASD-00-19) is approved on an accelerated basis, for the pilot period ending March 30, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 00-10726 Filed 4-28-00; 8:45 am]

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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. Supplement to Claim of Person Outside the United States-0960-0051. The information collected on Form SSA-21 is used by the Social Security Administration (SSA) to determine continuing entitlement to Social Security benefits and the proper benefit amounts of alien beneficiaries living outside the United States (U.S.). It is also used to determine whether benefits are subject to withholding tax. The respondents are comprised of individuals entitled to Social Security benefits, who are, will be, or have been residing outside the U.S.

*Number of Respondents:* 35,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 5 minutes.

*Estimated Annual Burden:* 2,917.

2. Statement of Care and Responsibility for Beneficiary-0960-0109. SSA uses Form SSA-788 to select the most qualified representative payee who will apply the benefits in the beneficiary's best interests. The respondents are individuals who have custody of a beneficiary where someone else has filed to be the beneficiary's payee.

*Number of Respondents:* 130,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 10 minutes.

*Estimated Annual Burden:* 21,667 hours.

II. The information collections listed below have been submitted to OMB for clearance. Written comments and recommendations on the information collections would be most useful if received within 30 days from the date of this publication. Comments should be directed to the SSA Reports Clearance Officer and the OMB Desk Officer at the addresses listed at the end of this publication. You can obtain a copy of the OMB clearance packages by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him.

1. Appointment of Representative—0960-0527. The information on Form SSA-1696 is used by SSA to verify the applicant's appointment of a representative. The form allows SSA to inform the representative of issues that affect the applicant's claim. The respondents are applicants who notify

SSA that they have appointed a person to represent them.

*Number of Respondents:* 412,653.

*Frequency of Response:* 1.

*Average Burden Per Response:* 10 minutes.  
*Estimated Average Burden:* 68,776 hours.

2. Application for Social Security Disability Benefits—0960-0060. SSA uses the information collected on Form SSA-16 to determine eligibility for Social Security disability benefits. The respondents are applicants for such benefits.

*Number of Respondents:* 1,185,942.

*Frequency of Response:* 1.

*Average Burden Per Response:* 20 minutes.  
*Estimated Average Burden:* 395,314 hours.

3. Request to be Selected as Payee—0960-0014. The information collected on Form SSA-11-BK is used to determine the proper payee for a Social Security beneficiary, and it is designed to aid in the investigation of a payee applicant. The form will establish the applicant's relationship to the beneficiary, the justification, the concern for the beneficiary and the manner in which the benefits will be used. The respondents are applicants for selection as representative payee for Old Age, Survivors and Disability Insurance (OASDI), Supplemental Security Income (SSI), Black Lung benefits and title-VIII Special Veterans Benefits.

*Number of Respondents:* 2,121,686.

*Frequency of Response:* 1.

*Average Burden Per Response:* 10.5 minutes.  
*Estimated Annual Burden:* 371,295 hours.

4. Application for Special Benefits for World War II Veterans—0960-0615. The information collected on Form SSA-2000 will be used by SSA to elicit the information necessary to determine entitlement of an individual to benefits under title VIII of the Social Security Act. Respondents are certain World War II Veterans as identified under title VIII.

*Number of Respondents:* 12,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 20 minutes.  
*Estimated Annual Burden:* 4,000 hours.

5. Claim for Amounts Due in the Case of a Deceased Beneficiary—0960-0101. Section 204(d) of the Social Security Act provides that if a beneficiary dies before payment of Social Security benefits has been completed, the amount due will be paid to the persons meeting specified qualifications. The information collected on Form SSA-1724 is used by SSA to determine whether an individual

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> *Id.*

<sup>11</sup> 17 CFR 200.30-3(a)(12).