

quotations, and promoting orderly procedures for collecting and disseminating quotations. Finally, Section 17B contains Congressional findings and directives respecting the collection and distribution of quotation information on low-priced equity securities that are neither Nasdaq nor exchange-listed.

The NASD believes that extension of the Service through June 30, 1996 is fully consistent with the foregoing provisions of the Act.

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

The NASD believes that the rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

The NASD requests that the Commission find good cause, pursuant to Section 19(b)(2) of the Act, for approving the proposed rule change prior to the 30th day after its publication in the Federal Register to avoid any interruption of the Service. The current authorization for the Service extends through September 28, 1995. Hence, it is imperative that the Commission approve the instant filing on or before that date. Otherwise, the NASD will be required to suspend operation of the Service pending Commission action on the proposed extension.

The NASD believes that accelerated approval is appropriate to ensure continuity in the Service's operation pending a determination on permanent status for the Service, as requested in File No. SR-NASD-92-7. Continued operation of the Service will ensure the availability of an electronic quotation medium to support member firms' market making in approximately 5,344 OTC Equities and the widespread dissemination of quotation information on these securities. The Service's operation also expedites price discovery and facilitates the execution of customer orders at the best available price. From a regulatory standpoint, the NASD's capture of quotation data from participating market makers supplements the transactional data now reported by member firms pursuant to

Part XII of Schedule D to the NASD By-Laws.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission 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 Room. Copies of the filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to file number SR-NASD-95-43 and should be submitted by October 26, 1995.

V. Commission's Findings and Order Granting Accelerated Approval

The Commission finds that approval of the proposed rule change is consistent with the Act and the rules and regulations thereunder, and in particular with the requirements of Section 15A(b)(11) of the Act, which provides that the rules of the NASD relating to quotations must be designated to produce fair and informative quotations, prevent fictitious or misleading quotations and promote orderly procedures for collecting, distributing, and publishing quotations.

The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publishing notice of the filing thereof. Accelerated approval of the NASD's proposal is appropriate to ensure continuity in the Service's operation as an electronic quotation medium that supports NASD members' market making in OTC Equities and that facilitates price discovery and the execution of customers' orders at best available price. Additionally, continued operation of the Service will materially assist the NASD's surveillance of trading in OTC Equities that are quoted in the Service, including certain non-Tape B securities that are listed on regional exchanges and quoted in the Service.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change be, and hereby is, approved for an interim period through June 30, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Jonathan G. Katz,

Secretary.

[FR Doc. 95-24792 Filed 10-4-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36293; File No. SR-PSE-95-20]

Self-Regulatory Organizations; Pacific Stock Exchange Incorporated; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to the Extension of the Lead Market Maker Pilot Program

September 28, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 25, 1995, the Pacific Stock Exchange Incorporated ("PSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the PSE. 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

Commentary .01 to PSE Rule 6.82, "Lead Market Maker Pilot Program," states that the PSE's Lead Market Maker ("LMM") system pilot program will expire on September 30, 1995. The PSE proposes to amend Commentary .01 to extend the Exchange's LMM system pilot program through September 30, 1996.

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 PSE 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 PSE has prepared summaries, set forth in Sections (A), (B),

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

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

On January 17, 1990, the Commission approved the Exchange's LMM System on a pilot program basis.² Since that time, the Commission has approved extensions to the pilot program.³ The pilot program is currently set to expire on September 30, 1995.

In its filing with the Commission, the Exchange included a pilot program report for the period July 1993 to August 1995.⁴ In its report, the Exchange indicates that it believes, based on the pilot's performance, that the LMM System is viable and effective and that continuation of the pilot program is warranted based on the importance of maintaining the quality, efficiency, and competitiveness of the Exchange's markets in a multiple trading environment.

The Exchange notes that, at this time, it is considering substantive changes to the rules governing the LMM program. Therefore, the Exchange proposes to extend the pilot program for one year to allow additional time to evaluate the LMM program in light of any changes that may be approved within the next year. Moreover, if the Commission approves an extension of the program to September 30, 1996, the Exchange expects that it will seek permanent approval of the program (rather than an additional extension) prior to the expiration of the pilot extension.

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and Section 6(b)(5) in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

² See Securities Exchange Act Release No. 27631 (January 17, 1990), 55 FR 2462.

³ See Securities Exchange Act Release Nos. 31063 (August 21, 1992), 57 FR 39255; 31635 (December 22, 1992), 57 FR 62414; 33854 (April 1, 1994), 59 FR 16873; and 34710 (September 23, 1994), 59 FR 50306. See also File No. SR-PSE-93-16 (requesting permanent approval of the pilot program) and Amendment Nos. 1-3 thereto (requesting pilot program extensions while the request for permanent approval was pending). On April 20, 1994, the Exchange withdrew File No. SR-PSE-93-16 pursuant to the Commission's request. See letter from David P. Semak, Vice President, Regulation, PSE, to Sharon M. Lawson, Assistant Director, Division of Market Regulation, Commission, dated April 20, 1994.

⁴ The Exchange has previously submitted pilot program reports to the Commission dated September 18, 1992 and July 26, 1993. See Securities Exchange Act Release No. 31635, and File No. SR-PSE-93-16 (withdrawn), *supra* note 3.

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

The PSE does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The PSE has requested that the Commission find good cause that the proposed rule change be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act.

The Commission finds that the proposal to extend the LMM pilot program through September 30, 1996 is consistent with the requirements of the Act and the rules and regulations thereunder, and, in particular, the requirements of Sections 6(b)(5).⁵ The Commission concludes, as it did in approving the LMM pilot program, that the pilot program may enhance the market making mechanism on the PSE, thereby improving the markets for listed options on the Exchange. Specifically, the Commission believes that the LMM pilot may improve the PSE's market making capabilities by creating long-term commitments to options classes. Moreover, the pilot program will continue with adequate due process safeguards in the LMM selection and termination procedures and will retain procedures that prevent the misuse of material non-public LMM information by either an LMM or a broker-dealer affiliated with an LMM. The Commission notes, however, that before the pilot program can be approved on a permanent basis, or further extended, the PSE must provide the Commission with an updated report on the operation of the pilot program.

Specifically, before requesting permanent approval, or further extension, of the pilot program, the PSE must submit an update pilot program report by June 1996 that addresses: (1) Whether there have been any complaints regarding the operation of the pilot; (2) whether the PSE has taken any disciplinary or performance action against any member due to the operation of the pilot; (3) the number of LMMs involved in the pilot; (4) the extent to which the pilot has been used

on the PSE; (5) whether the PSE has terminated or replaced an LMM and the reasons thereof; (6) the impact of the pilot on the bid/ask spreads, depth and continuity in PSE options markets; and (7) whether the PSE has taken any actions or there have been any complaints against LMMs or associated broker-dealers relating to improper activity as a result of LMM affiliations with upstairs firms.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register because the PSE has not indicated that there have been any problems associated with the operation of the LMM system pilot program and because the Commission has not received any adverse comments concerning the pilot program. In addition, the Commission believes good cause exists to approve the extension of the LMM pilot program on an accelerated basis to allow the pilot program to continue uninterrupted. The Commission believes, therefore, that granting accelerated approval of the proposed rule change is appropriate and consistent with Section 6 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, NW., Washington, DC 20549. Copies of the submissions, 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 PSE. All submissions should refer to the file number in the caption above and should be submitted by October 26, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-PSE-95-20) is approved on an accelerated basis, and, accordingly, that the LMM pilot

⁵ 15 U.S.C. § 78f(b)(5) (1988).

⁶ 15 U.S.C. § 78s(b)(2) (1988).

program is extended until September 30, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Jonathan G. Katz,
Secretary.

[FR Doc. 95-24793 Filed 10-4-95; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Aviation Proceedings; Agreements Filed During the Week Ended September 22, 1995

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-95-663

Date filed: September 18, 1995

Parties: Members of the International Air Transport Association

Subject: TC2 Reso/P 1795 dated

September 12, 1995 r-1 to r-18.

TC2 Reso/P 1796 dated September

12, 1995 r-19 to r-32. TC2 Reso/P

1797 dated September 12, 1995 r-

33 to r-43. Within Europe

Expedited Resolutions.

Proposed Effective Date: November 1, 1995

Docket Number: OST-95-664

Date filed: September 18, 1995

Parties: Members of the International Air Transport Association

Subject: TC2 Reso/P 1799 dated

September 15, 1995. Expedited

Within Middle East Resos r-1 to r-

5

Proposed Effective Date: November 1, 1995.

Paulette V. Twine,

Chief, Documentary Services Division.

[FR Doc. 95-24783 Filed 10-4-95; 8:45 am]

BILLING CODE 4910-62-P

Federal Aviation Administration

[AC No. 120-PAAT III]

Proposed Advisory Circular (AC) on Determining Disposition of Undocumented Parts and Appliances

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of availability of proposed AC 120-PAAT III and request for comments.

SUMMARY: This notice announces the availability of and requests comments

on a proposed AC pertaining to guidance to operator and repair station certificate holders to develop a system/plan for making a determination of conformity or acceptability for aircraft parts at incoming, receiving, and inspection, and for current inventories when the certificate holder lacks sufficient part documentation. This notice is necessary to give all interested persons the opportunity to present their views on the proposed AC.

DATES: Comments must be received on or before January 3, 1996.

ADDRESSES: Send all comments on the proposed AC to: Federal Aviation Administration, Airworthiness General Aviation and Commercial Branch, AFS-340, 800 Independence Avenue, SW., Washington, D.C. 20591. Comments may be inspected at the above address between 9 a.m. and 4 p.m. weekdays, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Al Michaels, AFS-340, at the above address; telephone (202) 267-8203, or facsimile (202) 267-5115.

SUPPLEMENTARY INFORMATION:

Comments Invited

A copy of the draft AC may be obtained by contacting the person named under **FOR FURTHER INFORMATION CONTACT**. The proposed AC may also be downloaded from the FedWorld BBS by dialing (703) 321-8020, ANSI, 8, 1, N, 9600 baud, or through the Internet at the following Uniform Resource Location (URL): <ftp://fwux.fedworld.gov/pub/faa.htm>. The file name is "ACPAAIII.TXT." Interested persons are invited to comment on the proposed AC by submitting such written data, views, or arguments as they may desire. Comments should identify AC 120-PAAT III, Determining Disposition of Undocumented Parts and Appliances, and submit comments, in duplicate, to the address specified above. All written comments received on or before the closing date will be considered by the Airworthiness General Aviation and Commercial Branch, AFS-340, before issuing the final AC.

Background

The aviation industry and the FAA have agreed that there needs to be a system/plan for evaluating the acceptability of aircraft parts existing within the certificate holder's present inventories for which the holders lack sufficient documentation for these parts to be installed on type-certificated products. Therefore, an Aviation Rulemaking Advisory Committee (ARAC) working group elected to accomplish this task through

promulgation of an AC to provide the aviation community with guidance and information to develop the detailed system/plan. The procedures in this proposal AC would establish that the part conforms with applicable regulations and would enable the installer to establish that the part is acceptable for installation on type-certificated products.

Issued in Washington, D.C., on September 29, 1995.

William J. White,

Acting Director, Flight Standards Service.

[FR Doc. 95-24800 Filed 10-4-95; 8:45 am]

BILLING CODE 4910-13-M

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ended September 22, 1995

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-95-666

Date filed: September 18, 1995

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: October 16, 1995

Description: Application of Sunworld International Airlines, Inc., pursuant to 49 U.S.C. Section 41102, and Subpart Q of the Regulations, applies for a certificate of public convenience and necessity to enable it to engage in interstate and overseas air transportation of persons, property and mail.

Docket Number: OST-95-667

Date filed: September 18, 1995

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: October 16, 1995

Description: Application of Sunworld International Airlines, Inc., pursuant to 49 U.S.C. Section 41102, and Subpart Q of the Regulations, applies for a certificate of public convenience and necessity to enable it to initiate scheduled and charter foreign air transportation between a point or

⁷ 17 CFR 200.30-3(a)(12) (1994).