

**§ 382.33 Advance notice requirements.**

\* \* \* \* \*

(b) \* \* \*

(9) Designation of a particular seat as an accommodation to a passenger's disability.

\* \* \* \* \*

4. In § 382.37, a new paragraph (d) is proposed to be added to read as follows:

**§ 382.37 Seat assignments.**

\* \* \* \* \*

(d) On request of a passenger with a disability designated in paragraph (d)(1) of this section for a particular seat assignment needed to accommodate the disability, the carrier shall provide the seat assignment to the passenger.

(1) Requests for seating accommodations required to be accommodated under this paragraph include a request by a wheelchair user for a seat in a row with a moveable armrest, a request by a person traveling with a personal care attendant whose services will be needed on the flight to sit next to the personal care attendant, a request by an individual traveling with a service animal for a bulkhead or non-bulkhead seat, or a request by an individual with a fused or immobile leg for a bulkhead seat or other seat that provides greater legroom than other seats.

(2) In responding to requests from passengers for seat assignments to accommodate a disability, carriers shall comply with FAA safety rules, including those pertaining to exit row seating (see 14 CFR 121.585 and 14 CFR 135.129).

(3) When a person makes a request for a seating accommodation covered by paragraph (d)(1) of this section, the carrier shall assign the person a seat providing the requested accommodation if it has not already been assigned, even if the seat is not available for assignment to other passengers at the time.

(4) When a person makes a request for a seating accommodation covered by paragraph (d)(1) of this section, and all seats providing the requested accommodation have already been assigned to other passengers, the carrier shall change the seat assignment of other passengers as needed to provide the accommodation.

(5) The carrier is not required to provide the accommodations in paragraphs (d) (4) and (5) in response to a request made less than 48 hours before the scheduled departure time of the flight.

(6) If an individual making the request does not make it 48 hours before the scheduled departure time of the flight, the carrier shall attempt to meet the request by asking other passengers to

move to a different seat location to accommodate the individual. No other passenger shall be required to change assigned seats, however.

(7) If the carrier has already assigned a seat to an individual with a disability in response to a request covered by this paragraph, the carrier shall not reassign that individual to another seat in response to a subsequent request from another individual with a disability without the first individual's consent.

(8) In no case shall any passenger be removed from a flight or denied transportation in order to accommodate an individual with a disability under this paragraph.

5. In § 382.41, paragraphs (e)(2) and (g)(2) are proposed to be revised to read as follows:

**§ 382.41 Stowage of personal equipment.**

\* \* \* \* \*

(e) \* \* \*

(2) In an aircraft in which a closet or other approved stowage area is provided in the cabin for passengers' carry-on items, of a size that will accommodate a folding, collapsible, or break-down wheelchair, the carrier shall designate priority stowage space, as described in paragraph (e)(2)(ii) of this section for at least one such wheelchair in that area.

(ii) An individual with a disability who takes advantage of a carrier offer of the opportunity to preboard the aircraft may stow his or her wheelchair in this area, with priority over the carry-on items brought onto the aircraft by other passengers enplaning at the same airport. An individual with a disability who does not take advantage of a carrier offer of the opportunity to preboard may use the area to stow his or her wheelchair on a first-come, first-served basis along with all other passengers seeking to stow carry-on items in the area.

(g) \* \* \*

(2) Whenever feasible, the carrier shall transport electric-powered wheelchairs secured in an upright position, so that batteries need not be separated from the wheelchair in order to comply with DOT hazardous materials rules. However, when an electric-powered wheelchair is designated to fold or collapse, the passenger may request that the batteries be removed and the wheelchair be folded. The carrier shall, in any case, take those actions (and only those actions) required by DOT hazardous materials regulations with respect to the transportation of batteries by air.

\* \* \* \* \*

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**SECURITIES AND EXCHANGE COMMISSION****17 CFR Part 300**

[Release No. SIPA-160; File No. SIPC-96-1]

**Rules of the Securities Investor Protection Corporation**

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule change.

**SUMMARY:** The Securities Investor Protection Corporation ("SIPC") filed a proposed rule change with the Securities and Exchange Commission ("Commission"). The proposed rule change amends SIPC Rules 300<sup>1</sup> and 301,<sup>2</sup> which relate to the closeout and completion of contracts for the purchase or sale of securities made by debtors in liquidation under the Securities Investor Protection Act of 1970 ("SIPA"). The Commission is publishing the proposed rule change for public comment. Within thirty-five days of publication of notice, the Commission must (absent an extension) by order approve the proposed rule change or institute disapproval proceedings. Because SIPC rules have the force and effect as if promulgated by the Commission, those rules are published in Title 17 of the Code of Federal Regulations.<sup>3</sup>

**DATES:** Comments are to be received on or before November 22, 1996.

**ADDRESSES:** 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 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, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal

<sup>1</sup> 17 CFR 300.300 (1996). Rule 300 sets out the definitions of certain terms used in SIPC's rules.

<sup>2</sup> 17 CFR 300.301 (1996). Rule 301 governs contracts to be closed out or completed in a liquidation.

<sup>3</sup> 17 CFR 300.100-300.503 (1996).

office of SIPC. All submissions should refer to file number SIPC-96-1. Comments also may be submitted electronically at the following E-Mail address: rule-comments@sec.gov. All comment letters should refer to file number SIPC-96-1. This rule number should be included on the subject line if E-mail is used. Electronically submitted comment letters will be posted on the Commission's Internet web site (<http://www.sec.gov>).

**FOR FURTHER INFORMATION CONTACT:** Michael A. Macchiaroli, Associate Director, 202/942-0131, Peter R. Geraghty, Assistant Director, 202/942-0177, or Louis A. Randazzo, Special Counsel, 202/942-0191, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 3(e)(2)(A) of SIPA,<sup>4</sup> notice is hereby given that SIPC filed with the Securities and Exchange Commission on October 10, 1996, the proposed rule change as described in Item I below, which item has been prepared primarily by SIPC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. SIPC's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, SIPC 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 above. SIPC has prepared the following summary of the purpose of and statutory basis for the proposed rule change.<sup>5</sup>

Section 8(e) of SIPA requires SIPC to adopt rules with respect to the closeout of contracts with a debtor for the purchase or sale of securities in the ordinary course of its business.<sup>6</sup> The purpose of the proposed rule change is to amend SIPC's Series 300 Rules, which address the closeout or completion of contracts for the purchase or sale of securities made by debtors in a liquidation under SIPA with other brokers or dealers, to be consistent with Commission Rule 15c6-1.<sup>7</sup> Rule 15c6-1, which became effective in June of 1995,<sup>8</sup> establishes three business days as

the standard settlement timeframe for most securities transactions.<sup>9</sup> The adoption of a three business day settlement timeframe affected SIPC Rules 300 and 301, which currently refer to a five business day settlement timeframe.<sup>10</sup> Because Rule 15c6-1 does not affect SIPC Rules 302 through 307, SIPC does not propose to amend these rules. The proposed rule change also makes a technical correction to conform a statutory citation in Rule 300 to the correct section SIPA.<sup>11</sup>

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

Within thirty-five 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 ninety 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 SIPC consents, the Commission will:

(A) By order approve such proposed rule change or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

To allow public access to SIPC's rules, SIPC rules that are approved by the Commission are published under Part 300 of 17 CFR Chapter II.

#### III. Statutory Analysis

Pursuant to SIPA and particularly Section 3(e),<sup>12</sup> SIPC proposes to amend 300.300 and 300.301 of Title 17 of the

<sup>9</sup>Specifically, Rule 15c6-1 provides, among other things, that a broker-dealer shall not effect or enter into a contract for the purchase or sale of a security that provides for payment of funds and delivery of securities later than the third business day after the date of the contract unless otherwise expressly agreed to by the parties at the time of the transaction. Prior to the effective date of Rule 15c6-1, the settlement cycle for securities transactions was five business days. See Release No. 33023, *supra* note 8.

<sup>10</sup>In order to remain consistent with the Commission's three business day settlement timeframe, SIPC proposes to amend the term "open contractual commitment" in Rule 300(c) by replacing the reference to five business days with three business days. Specifically, Rule 300(c) is proposed to be amended, in part, to provide that the term "open contractual commitment" means a failed to receive or a failed to deliver which had a settlement date prior to the filing date and the respective obligations of the parties remained outstanding on the filing date or had a settlement date which occurs on or within three business days subsequent to the filing date. In addition, SIPC proposes to amend Rule 301 by replacing the references to five business days with three business days.

<sup>11</sup>SIPC proposes to amend Rule 300(a) by replacing the reference to section 16(8) of SIPA with section 16(7) of SIPA.

<sup>12</sup>U.S.C. 78ccc(3)(e) (1995).

Code of Federal Regulations in the manner set forth below.

#### IV. List of Subjects in 17 CFR Part 300

Brokers, Securities, Securities Investor Protection Corporation.

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is proposed to be amended as follows:

#### **PART 300—RULES OF THE SECURITIES INVESTOR PROTECTION CORPORATION**

1. The authority citation for part 300 continues to read as follows:

Authority: Section 3, 84 Stat. 1636, as amended; 15 U.S.C. 78ccc.

#### **§ 300.300 [Amended]**

2. Section 300.300 is proposed to be amended by removing the reference to "section 16(8)" and adding "section 16(7)" in paragraph (a), and removing the reference to "five business days" and adding "three business days" in paragraph (c).

#### **§ 300.301 [Amended]**

3. Section 300.301 is proposed to be amended by removing the references to "five business days" and adding "three business days" in paragraphs (a)(2)(i) and (a)(2)(ii).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

Dated: October 25, 1996.

Margaret H. McFarland,

*Deputy Secretary.*

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#### **DEPARTMENT OF VETERANS AFFAIRS**

#### **38 CFR Part 17**

#### **RIN 2900-AE64**

#### **Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)**

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Proposed rule.

**SUMMARY:** This document proposes to amend regulations concerning medical care for survivors and dependents of certain veterans, hereinafter referred to as the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). These proposed regulations would establish basic policies and procedures governing the

<sup>13</sup>17 CFR 200.30-3(f)(3) (1996).

<sup>4</sup>15 U.S.C. 78ccc(e)(2)(A) (1995).

<sup>5</sup>The Commission has modified the language in this section.

<sup>6</sup>15 U.S.C. 78ccc(8)(e) (1995).

<sup>7</sup>17 CFR 240.15c6-1 (1996).

<sup>8</sup>See Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891 (October 13, 1993).