

PART 274a—CONTROL OF EMPLOYMENT OF ALIENS

5. The authority citation for part 274a continues to read as follows:

Authority: 8 U.S.C. 1101, 1103, 1324a; 8 CFR part 2.

6. Section 274a.12 is amended by:

- a. Revising paragraph (b)(9);
- b. Revising paragraph (b)(13); and by
- c. Revising paragraph (b)(14), to read as follows:

§ 174a.12 Clauses of aliens authorized to accept employment.

* * * * *

(b) * * *

(9) A temporary worker or trainee (H-1, H-2A, H-2B, or H-3), pursuant to § 214.2(h) of this chapter. An alien in this status may be employed only by the petitioner through whom the status was obtained. In the case of a professional H-2B athlete who is traded from one organization to another organization, employment authorization for the player will automatically continue for a period of 30 days after acquisition by the new organization, within which time the new organization is expected to file a new Form I-129 to petition for H-2B classification. If a new Form I-129 is not filed within 30 days, employment authorization will cease. If a new Form I-129 is filed within 30 days, the professional athlete's employment authorization will continue until the petition is adjudicated. If the new petition is denied, employment authorization will cease;

* * * * *

(13) An alien having extraordinary ability in the sciences, arts, education, business, or athletics (O-1), and an accompanying alien (O-2), pursuant to § 214.2(o) of this chapter. An alien in this status may be employed only by the petitioner through whom the status was obtained. In the case of a professional O-1 athlete who is traded from one organization to another organization, employment authorization for the player will automatically continue for a period of 30 days after the acquisition by the new organization, within which time the new organization is expected to file a new Form I-129 petition for O nonimmigrant classification. If a new Form I-129 is not filed within 30 days, employment authorization will cease. If a new Form I-129 is filed within 30 days, the professional athlete's employment authorization will continue until the petition is adjudicated. If the new petition is denied, employment authorization will cease.

(14) An athlete, artist, or entertainer (P-1, P-2, or P-3), pursuant to

§ 214.2(p) of this chapter. An alien in this status may be employed only by the petitioner through whom the status was obtained. In the case of a professional P-1 athlete who is traded from one organization to another organization, employment authorization for the player will automatically continue for a period of 30 days after the acquisition by the new organization, within which time the new organization is expected to file a new Form I-129 for P-1 nonimmigrant classification. If a new Form I-129 is not filed within 30 days, employment authorization will cease. If a new Form I-129 is filed within 30 days, the professional athlete's employment authorization will continue until the petition is adjudicated. If the new petition is denied, employment authorization will cease;

* * * * *
Dated: February 13, 1997.

Doris Meissner,
Commissioner, Immigration and Naturalization Service.

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-38490; File No. S7-30-95]

RIN 3235-AG66

Order Execution Obligations

AGENCY: Securities and Exchange Commission.

ACTION: Revised compliance dates; exemptive order.

SUMMARY: The Securities and Exchange Commission ("Commission") is announcing the revised phase-in schedule for compliance with Rules 11Ac1-1(c)(5) ("ECN Amendment" of the "Quote Rule") and 11Ac1-4 ("Limit Order Display Rule") under the Securities Exchange Act of 1934 ("Exchange Act") and is providing exemptive relief to accommodate the new schedule. In addition, the Commission is providing exemptive relief from compliance with the 1% requirement of the Quote Rule with respect to non-19c-3 securities.

DATES: *Effective:* April 9, 1997.

Compliance Dates: The phase-in schedule with respect to 550 additional Nasdaq securities will be as follows: 50 Nasdaq securities on April 21, 1997; 50 Nasdaq securities on April 28, 1997; 50 Nasdaq securities on May 5, 1997; 50 Nasdaq securities on May 12, 1997; 50 Nasdaq securities on May 19, 1997; 50

Nasdaq securities on May 27, 1997; 50 Nasdaq securities on June 2, 1997; 50 Nasdaq securities on June 9, 1997; 50 Nasdaq securities on June 23, 1997; 50 Nasdaq securities on June 30, 1997; and 50 Nasdaq securities on July 7, 1997. Concurrently, the Commission is exempting responsible brokers and dealers, electronic communications networks, exchanges and associations from compliance with the Order Execution Rules, with respect to the Nasdaq securities that are not phased-in under such schedule, until July 28, 1997. In addition, the Commission is exempting substantial market makers and specialists from compliance with the 1% requirement of the Quote Rule with respect to non-Rule 19c-3 securities until July 28, 1997.

FOR FURTHER INFORMATION CONTACT: David Oestreicher, Special Counsel, or Gail Marshall-Smith, Special Counsel, (202) 942-0158, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 5-1, Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

Background

On August 28, 1996, the Securities and Exchange Commission adopted Rule 11Ac1-4, the Limit Order Display Rule, and amendments to Rule 11Ac1-1, the Quote Rule under the Exchange Act.¹ The Limit Order Display Rule requires over-the-counter ("OTC") market makers and exchange specialists to publicly display certain customer limit orders. The ECN Amendment of the Quote Rule requires OTC market makers and specialists to publicly disseminate the best prices that they enter into an electronic communications network ("ECN"),² or to comply indirectly with the ECN Amendment by using an ECN that furnishes the best market maker and specialist prices therein to the public quotation system (the "ECN Display Alternative")³ In addition, the Quote Rule term "subject security"⁴ was amended, thereby requiring OTC market makers and specialists to publish quotes in any exchange-listed security if their volume in that security exceeds 1% of the aggregate volume during the most recent calendar quarter.⁵

¹ See Securities Exchange Act Release No. 37619A (September 6, 1996), 61 FR 48290 (September 12, 1996) ("Adopting Release").

² 17 CFR 240.11Ac1-1(c)(5)(i).

³ 17 CFR 240.11Ac1-1(c)(5)(ii).

⁴ 17 CFR 240.11Ac1-1(a)(25).

⁵ 17 CFR 11Ac1-1(c)(1). See Securities Exchange Act Release No. 38110 (January 2, 1997), 62 FR 1279 (January 9, 1997) which changed the effective date of the 1% Rule, with respect to the amended

Discussion

The obligations under the Order Execution Rules represent a significant change in the order handling practices of OTC market makers and specialists. The Commission, therefore, has chosen to require compliance with the rules over a phased-in period. On January 20, 1997, the Order Execution Rules became effective and compliance with the rules became mandatory for all exchange-traded securities and 50 Nasdaq securities.⁶ Subsequently, the Commission provided exemptive relief from compliance with the Order Execution Rules for the Nasdaq securities not phased-in as of February 14, 1997, until April 14, 1997.⁷ To date, compliance is mandatory for all exchange-traded securities and 150 of the most actively traded Nasdaq securities.

The Commission has been closely monitoring the implementation of the rules and has found that the implementation appears to be occurring successfully. The success to date is due, in-part, to affording market participants time to adapt to the new regulatory requirements. Moreover, Nasdaq will continue to have capacity limitations that reduce its ability to handle substantial additional quotation traffic until mid-July. The NASD has, therefore, requested that the rules be phased-in on an extended schedule that strikes a reasonable balance between the desire to enhance the benefits of the Rules for investors and the need to ensure that implementation of the Rules does not compromise the integrity or capacity of automated systems operated by Nasdaq, broker-dealers, ECNs, and vendors.⁸ Accordingly, the Commission believes it is appropriate to continue the

definition of "subject security", from January 10, 1997, to April 10, 1997.

⁶ See Securities Exchange Act Release Nos. 37619A (September 6, 1996), 37972 (November 22, 1996), 38110 (January 2, 1997), 38139 (January 8, 1997), and 38246 (February 5, 1997) outlining previous phase-in schedules for the Order Execution Rules. The Commission notes that a broker-dealer's duty of best execution discussed in the Adopting Release is applicable to all securities and is not based on whether or not the security has been phased-in under the Limit Order Display Rule or the ECN Amendment.

⁷ See Securities Exchange Act Release No. 38246 (February 5, 1997). Absent the granted exemptive relief, the Limit Order Display Rule would currently apply to 1000 Nasdaq securities with an additional 1500 Nasdaq securities being required on March 28, 1997. Moreover, the ECN Amendment would currently apply to 1000 Nasdaq securities with the remaining Nasdaq securities being required on March 28, 1997.

⁸ See letter from J. Patrick Campbell, Executive Vice President, Trading & Market Services, The Nasdaq Stock Market, Inc., to Richard R. Lindsey, Director, Division of Market Regulation, dated April 8, 1997.

gradual phase-in of both the Limit Order Display Rule and the ECN Amendment for the next 550 most actively traded Nasdaq securities. However, once the most actively traded Nasdaq securities are phased-in, the Commission expects to phase-in the remaining securities on a more accelerated basis.

The new schedule for the next 550 Nasdaq securities is as follows: 50 Nasdaq securities on April 21, 1997; 50 Nasdaq securities on April 28, 1997; 50 Nasdaq securities on May 5, 1997; 50 Nasdaq securities on May 12, 1997; 50 Nasdaq securities on May 19, 1997; 50 Nasdaq securities on May 27, 1997; 50 Nasdaq securities on June 2, 1997; 50 Nasdaq securities on June 9, 1997; 50 Nasdaq securities on June 23, 1997; 50 Nasdaq securities on June 30, 1997; and 50 Nasdaq securities on July 7, 1997.⁹ The Commission will not phase-in securities the week of June 16, 1997 to afford Nasdaq an opportunity to effect system upgrades designed to enhance Nasdaq's quote update response time and the capacity of Nasdaq's last sale broadcast. To accommodate this schedule and pursuant to Rule 11Ac1-1(d)¹⁰ of the Exchange Act, the Commission is exempting responsible brokers and dealers, electronic communications networks, exchanges, and associations, until July 28, 1997 from the requirements of: (1) Rule 11Ac1-1(c)(5)(i), the ECN Amendment, with respect to all Nasdaq securities not phased-in as of July 7, 1997; and (2) from the requirements of Rule 11Ac1-1(c)(1), with respect to non-Rule 19c-3 securities.¹¹ In addition, pursuant to Rule 11Ac1-4(d)¹² of the Exchange Act, the Commission is exemption responsible brokers and dealers, electronic communications networks, exchanges, and associations, until July 28, 1997 from the requirements of Rule 11Ac1-4, the Limit Order Display Rule, with respect to all Nasdaq securities not phased-in as of July 7, 1997.

The Commission has granted this exemptive relief to continue monitoring the operation of the Order Execution Rules, and will announce a phase-in

⁹ Nasdaq will continue to identify the specific securities to be phased-in prior to each phase-in date.

¹⁰ 17 CFR 240.11Ac1-1(d).

¹¹ See 17 CFR 240.19c-3. Exchange Act Rule 19c-3 prohibits the application of off-board trading restrictions to securities that (1) were not traded on an exchange before April 26, 1979; or (2) were traded on an exchange on April 26, 1979, but ceased to be traded on an exchange for any period of time thereafter. Accordingly, exchange-traded securities not subject to off-board trading restrictions are referred to as Rule 19c-3 securities, and exchange-traded securities subject to off-board trading restrictions are referred to as non-rule 19c-3 securities.

¹² 17 CFR 240.11Ac1-4(d).

schedule for the Nasdaq securities not phased-in as of July 7, 1997 at the appropriate time. The Commission finds that the exemptive relief provided herein to responsible brokers and dealers, electronic communications networks, exchanges, and associations is consistent with the public interest, the protection of investors and the removal of impediments to and perfection of the mechanism of a national market system. Moreover, granting exemptive relief from the requirements of Rule 11Ac1-1(a)(25) until July 28, 1997, will provide the NASD and the Intermarket Trading System Participants further time to resolve their existing limitations on the automated generation of quotations.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR PART 142

RIN 1076 AD66

Operation of U.S.M.S. "North Star" Between Seattle, Washington, and Stations of the Bureau of Indian Affairs and Other Government Agencies, Alaska

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Final rule.

SUMMARY: The Bureau of Indian Affairs (BIA) is amending 25 CFR part 142 as mandated by Executive Order 12866 to streamline the regulatory process and enhance the planning and coordination of existing regulations.

EFFECTIVE DATE: These regulations take effect May 16, 1997.

SUPPLEMENTARY INFORMATION: The authority to issue rules and regulations is vested in the Secretary of the Interior by 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes, 25 U.S.C. 2 and 9.

The U.S.M.S. North Star has been decommissioned. However, the need for a resupply operation in Alaska continues. The Juneau Area Office administers the Alaska Resupply Operation through the Seattle Support Center. All accounts receivable and payable are handled by the Seattle

¹³ 17 CFR 200.30(a)(28) and (61).