

and after the closing date for comments, in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this AD will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this notice must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket Number 97-ANE-36-AD." The postcard will be date stamped and returned to the commenter.

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is an emergency regulation that must be issued immediately to correct an unsafe condition in aircraft, and is not a "significant regulatory action" under Executive Order 12866. It has been determined further that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979). If it is determined that this emergency regulation otherwise would be significant under DOT Regulatory Policies and Procedures, a final regulatory evaluation will be prepared and placed in the Rules Docket. A copy of it, if filed, may be obtained from the Rules Docket at the location provided under the caption ADDRESSES.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

97-21-01 MT-Propeller Entwicklung

GMBH: Amendment 39-10154. Docket 97-ANE-36-AD.

Applicability: MT-Propeller Entwicklung GMBH Model MTV-3-B-C/L250-21. These propellers are installed on but not limited to Sukhoi 29 aircraft.

Note 1: This airworthiness directive (AD) applies to each propeller identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For propellers that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

Compliance: Required as indicated, unless accomplished previously.

To prevent propeller hub cracks, which could result in propeller blade separation and possible loss of control of the aircraft, accomplish the following:

(a) Perform initial and repetitive dye penetrant or eddy current inspections for cracks in the propeller hub, and rework propeller hub, Part Number (P/N) B-050, or replace with a propeller hub, P/N A-909-A, all in accordance with MT-Propeller Entwicklung GMBH Service Bulletin (SB) No. 12A, dated July 17, 1997, as follows:

(1) Within 50 hours time in service (TIS) after the effective date of this AD, perform the initial inspection.

(2) Thereafter, inspect as follows:

(i) For propellers with hubs, P/N B-050, inspect at intervals not to exceed 50 hours TIS, or 6 months since last inspection, whichever occurs first.

(ii) For propellers with hubs, P/N A-909-A, inspect at intervals not to exceed 200 hours TIS, or 12 months since last inspection, whichever occurs first.

(3) Following inspection, if no cracks are found, and within 50 hours TIS after the effective date of this AD, rework the existing propeller hub, P/N B-050, or install propeller hub, P/N A-909-A.

(4) Following inspection, if cracks are found, prior to further flight remove the existing propeller hub, and replace with a serviceable propeller hub.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Boston Aircraft Certification Office. Operators shall submit their requests through an appropriate FAA Maintenance Inspector, who may add comments and then send it to the Manager, Boston Aircraft Certification Office.

Note 2: Information concerning the existence of approved alternative methods of

compliance with this airworthiness directive, if any, may be obtained from the Boston Aircraft Certification Office.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the inspection requirements of this AD can be accomplished.

(d) The actions required by this AD shall be performed in accordance with the following MT-Propeller Entwicklung GMBH SB:

Document No.	Pages	Date
12A	1-3	July 17, 1997.

Total pages: 3.

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from MT-Propeller Entwicklung GMBH, Airport Straubing-Wallmuhle, D-94348 Atting, Germany; telephone (0 94 29) 84 33, fax (0 94 29) 84 32, Internet: "propeller@aol.com". Copies may be inspected at the FAA, New England Region, Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(e) This amendment becomes effective on October 22, 1997.

Issued in Burlington, Massachusetts, on September 26, 1997.

James C. Jones,

Assistant Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 97-26373 Filed 10-6-97; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Airspace Docket No. 94-ASO-18]

RIN 2120-AA66

Establishment of Restricted Areas; Camp Lejeune, NC

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes restricted areas at Camp Lejeune, NC, to augment an expansion of the existing Camp Lejeune training range facilities. The U.S. Marine Corps (USMC) requested this action in order to accommodate the increased training activities required by operational units. **EFFECTIVE DATE:** 0901 UTC, November 6, 1997.

FOR FURTHER INFORMATION CONTACT: Paul Gallant, Airspace and Rules Division,

ATA-400, Office of Air Traffic Airspace Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone (202) 267-8783.

SUPPLEMENTARY INFORMATION:

Background

The USMC requested that the FAA establish restricted areas at Camp Lejeune, NC, because the existing facilities do not contain sufficient firing ranges, maneuver areas, or impact areas to accommodate the expanded, more complex Marine Corps training requirements which have evolved in recent years. Two USMC studies documented shortfalls in the existing range capabilities. These limitations have precluded Camp Lejeune from fulfilling a number of basic Fleet Marine Force training requirements. As a result, the USMC has been required to conduct periodic, multi-million dollar deployments of personnel and equipment to other locations in the United States in order to complete essential training events.

On June 15, 1995, the FAA published a notice of proposed rulemaking (NPRM) which proposed to amend 14 CFR part 73 to establish Restricted Areas R-5303A, B, and C, and R-5304A, B, and C, at Camp Lejeune, NC (60 FR 31426).

Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. Two comments were received by the FAA in response to the proposal. The Aircraft Owners and Pilots Association objected to the proposal, stating that the restricted areas would interfere with general aviation aircraft transiting the area and would prevent pilots from using Federal Airway V-139 between Wilmington, NC, and New Bern, NC.

The restricted areas will be managed on a real-time basis to minimize impact on nonparticipating aircraft. Cherry Point Approach Control will be the designated controlling agency for the restricted areas. The approach control has dedicated direct landlines to the Camp Lejeune Range Control and has the authority to call an immediate cease fire in the event of an aircraft emergency, unauthorized aircraft intrusion, or operational necessity. The lowest subareas, R-5303A and R-5304A, will be the most frequently used areas. Normally, V-139, above 7,000 feet mean sea level (MSL), will remain available for transit by nonparticipating aircraft. When nonparticipating aircraft on V-139 are unable to transit above the restricted area altitudes in use, the range

activity will either be capped, or a cease fire imposed, to accommodate the aircraft on the airway. On occasion, air traffic control (ATC) may vector nonparticipating aircraft off the airway to the east of the range through Restricted Areas R-5306D and R-5306E, which will be deactivated for that purpose.

The FAA believes that the real-time procedures for the activation and deactivation of the airspace should minimize the impact on nonparticipating aircraft.

The North Carolina Department of Transportation (NCDOT) commented that the mitigation procedures satisfy its concerns about the impact on general aviation and, provided that the range and airspace operations are conducted as proposed, the proposal may be the best compromise for all airspace users. However, NCDOT expressed concerns about the proposal considering the amount of existing special use airspace (SUA) in the State, and the impact on V-139. NCDOT suggested that this action should be reviewed after the airspace has been operational for some time and that, if the real-time procedures do not prove satisfactory, a new airway segment should be considered between Wilmington and New Bern with an intersection over the Albert J. Ellis Airport, Jacksonville, NC. NCDOT further commented that the 6-hour Notices to Airmen (NOTAM) time proposed in the time of designation of the restricted areas is too short.

In response to NCDOT's comment, the time requirement for NOTAM activation of the restricted areas will be increased from the proposed 6 hours in advance, to 24 hours in advance. Regarding the impact on V-139, the FAA believes that the real-time use procedures should minimize the impact to aircraft transiting the area or utilizing V-139. As part of its annual review of SUA, the FAA will monitor the implementation of this rule and the effectiveness of the real-time procedures described above. Airspace and/or procedural modifications may be considered in the future, if warranted.

The Rule

This rule amends 14 CFR part 73 by establishing Restricted Areas R-5303A, B, and C, and R-5304A, B, and C, at Camp Lejeune, NC. The restricted areas will overlie a Government-purchased tract of land contiguous to Camp Lejeune, known as the Greater Sandy Run Area, and will extend from the surface up to but not including Flight Level (FL) 180. The airspace will be subdivided vertically. The subdivisions will be configured as follows: R-5303A

and R-5304A extending from the surface to but not including 7,000 feet Mean Sea Level (MSL); R-5303B and R-5304B extending from 7,000 feet MSL to but not including 10,000 feet MSL; and R-5303C and R-5304C extending from 10,000 feet MSL to but not including FL 180.

The activities to be conducted in the restricted areas include the firing of various surface weapons and air-delivered ordnance (helicopters only). No fixed-wing participating aircraft operations will be conducted in the restricted areas. Most training activities will be conducted in the lowest portion of the restricted areas (i.e., R-5303A and R-5304A, below 7,000 feet MSL).

The time of designation for R-5303A and R-5304A will be 0600 to 1800 local time, Monday through Friday, with a provision for activation at other times by NOTAM at least 24 hours in advance. Restricted Areas R-5303B/C and R-5304B/C will be activated by NOTAM at least 24 hours in advance when required for training.

It is estimated that the highest altitude strata of the restricted areas will be required approximately 10% of the time. An estimated 75% of the total training activities will take place during daylight hours. On a yearly basis, it is projected that the restricted areas will be used on 30 to 40 weeknights. Training will also be conducted on 30 to 40 weekend days, which may include additional night-time operations. Peak firing periods are expected to occur between the hours of 0800-1600, Tuesday, Wednesday, and Thursday, with March through October projected as the peak firing months.

The new restricted areas will be configured to maximize training flexibility and to facilitate the activation of only those portions of the restricted areas actually needed for training operations. When activated, the restricted areas may impact the segment of V-139 between Wilmington, NC, and New Bern, NC. In order to minimize the impact on air traffic utilizing V-139, the restricted areas will be subject to real-time activation procedures. The lowest subareas, R-5303A and R-5304A, will be the most frequently used areas. Normally, V-139, above 7,000 feet MSL, will remain available for transit by nonparticipating aircraft. When nonparticipating aircraft on V-139 are unable to transit above the restricted area altitudes in use, the range activity will either be capped, or a cease fire imposed, to accommodate the aircraft on the airway. On occasion, ATC may vector nonparticipating aircraft off the airway to the east of the range through Restricted Areas R-5306D and R-5306E,

which will be deactivated for that purpose. These procedures will be specified in a joint-use letter of procedure between the using agency and the controlling agency. The letter of procedure will include provisions to give ATC priority for use of the airspace when necessary during periods of severe weather, or emergency situations.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation: (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Section 73.53 of 14 CFR part 73 was republished in FAA Order 7400.8D dated July 11, 1996.

Environmental Review

The USMC issued a final environmental impact statement (EIS) in May 1991 for the Proposed Expansion and Realignment of the Marine Corps Base Camp Lejeune Onslow County, NC. Based upon proximity to the ground site for military training and other geographic factors, the USMC considered 13 alternatives as potential solutions to accommodate training needs at Camp Lejeune. These alternatives included a variety of options ranging from maintaining the status quo (no action) to relocating of Marine Corps Base Camp Lejeune, as well as increasing off-base training. Two airspace alternatives were brought forward for further consideration; Alternative One, which is the designation of new restricted areas at Camp Lejeune, as described in this rule and the No Action Alternative. Alternative One was identified as the environmentally preferable alternative in the EIS.

The No Action Alternative would consist of the continued utilization of existing training facilities, with no additional special use airspace to contain the increased training activities needed by operational units. The No Action Alternative failed to address the training deficiencies as identified at Camp Lejeune. Without the additional

special use airspace, implementation of Marine Battle Skills Training would increase training pressures on existing firing ranges outside the area of Camp Lejeune. Modern long-range weapons would not be accommodated at Camp Lejeune and would continue to be deployed elsewhere. The USMC issued a Record of Decision in October 1991 that adopted all practicable means to avoid or minimize harm.

In June 1997, the USMC submitted to the FAA an Addendum to the EIS. In August 1997, the FAA completed a written reevaluation of the EIS and adopted and recirculated the Addendum and the EIS as final, pursuant to 40 CFR 1506-3(a) and (b) 62 FR 43730 and 62 FR 44685. After careful and thorough consideration of the facts contained herein and following consideration of the views of those Federal agencies having jurisdiction by law and special expertise with respect to the environmental impacts described, the undersigned finds that the proposed Federal action is consistent with existing national policies and objectives as set forth in section 101 (a) of the National Environmental Policy Act of 1969, as amended.

This final rule constitutes final agency action under 49 USC 46110. Any person disclosing a substantial interest in this order may appeal the order to the courts of appeal of the United States or the United States or the United States Court of Appeals of the District of Columbia upon petition, filed within 60 days after the order is issued.

List of Subjects in 14 CFR Part 73

Airspace, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 73, as follows:

PART 73—SPECIAL USE AIRSPACE

1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 73.53 [Amended]

2. Section 73.53 is amended as follows:

* * * * *

R-5303A Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°41'40"N., long. 77°33'09"W.; to lat. 34°39'16"N., long. 77°28'31"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°38'49"N., long. 77°37'31"W.; to the point of beginning.

Designated altitudes. Surface to but not including 7,000 feet MSL, excluding the airspace 1,500 feet AGL and below within a 3NM radius of Sky Manor airport.

Time of designation. 0600-1800 Monday-Friday; other times by NOTAM at least 24 hours in advance.

Controlling agency. USMC, Cherry Point Approach Control.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

R-5303B Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°41'40"N., long. 77°33'09"W.; to lat. 34°39'16"N., long. 77°28'31"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°38'49"N., long. 77°37'31"W.; to the point of beginning.

Designated altitudes. 7,000 feet MSL to but not including 10,000 feet MSL.

Time of designation. By NOTAM at least 24 hours in advance.

Controlling agency. USMC, Cherry Point Approach Control.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

R-5303C Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°41'40"N., long. 77°33'09"W.; to lat. 34°39'16"N., long. 77°28'31"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°38'49"N., long. 77°37'31"W.; to the point of beginning.

Designated altitudes. 10,000 feet MSL to but not including FL 180.

Time of designation. By NOTAM at least 24 hours in advance.

Controlling agency. FAA, Washington ARTCC.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

R-5304A Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°32'16"N., long. 77°30'13"W.; to lat. 34°29'43"N., long. 77°35'15"W.; to lat. 34°32'42"N., long. 77°34'54"W.; to the point of beginning.

Designated altitudes. Surface to but not including 7,000 feet MSL, excluding the airspace 1,500 feet AGL and below within a 3NM radius of Holly Ridge airport.

Time of designation. 0600-1800, Monday-Friday; other times by NOTAM at least 24 hours in advance.

Controlling agency. USMC, Cherry Point Approach Control.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

R-5304B Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°32'16"N., long. 77°30'13"W.; to lat. 34°29'43"N., long.

77°35'15"W.; to lat. 34°32'42"N., long. 77°34'54"W.; to the point of beginning.

Designated altitudes. 7,000 feet MSL to but not including 10,000 feet MSL.

Time of designation. By NOTAM at least 24 hours in advance.

Controlling agency. USMC, Cherry Point Approach Control.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

R-5304C Camp Lejeune, NC [New]

Boundaries. Beginning at lat. 34°37'03"N., long. 77°35'25"W.; to lat. 34°36'13"N., long. 77°31'51"W.; to lat. 34°36'51"N., long. 77°29'01"W.; to lat. 34°32'16"N., long. 77°30'13"W.; to lat. 34°29'43"N., long. 77°35'15"W.; to lat. 34°32'42"N., long. 77°34'54"W.; to the point of beginning.

Designated altitudes. 10,000 feet MSL to but not including FL 180.

Time of designation. By NOTAM at least 24 hours in advance.

Controlling agency. FAA, Washington ARTCC.

Using agency. USMC, Commanding General, U.S. Marine Corps Air Station, Cherry Point, NC.

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Issued in Washington, DC, on October 1, 1997.

John S. Walker,

Program Director for Air Traffic Airspace Management.

[FR Doc. 97-26671 Filed 10-6-97; 8:45 am]

BILLING CODE 4910-13-P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 240 and 249

[Release No. 34-39176; File No. S7-21-96]

RIN 3235-AG99

Lost Securityholders

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission is adopting Rule 17Ad-17 and Rule 17a-24 under the Securities Exchange Act of 1934. Rule 17Ad-17, which is designed to address the problem of "lost securityholders," requires transfer agents to conduct searches in an effort to locate lost securityholders. Rule 17a-24, which is designed to assist the Commission in monitoring the effects of Rule 17Ad-17, requires transfer agents to file information on lost securityholders with the Commission. The rules are designed to reduce the number of lost securityholders.

EFFECTIVE DATE: §§ 240.17Ad-17 and 240.17Ad-7(i) will be effective December 8, 1997, and §§ 240.17a-24

and 249b.102, the amendments to Form TA-2 will be effective February 4, 1998.

FOR FURTHER INFORMATION CONTACT: Jerry W. Carpenter, Assistant Director; Christine Sibille, Senior Counsel; Jeffrey Mooney, Attorney; or Theodore Lazo, Attorney at 202/942-4187, Office of Risk Management and Control, Mail Stop 5-1, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. Introduction and Background

Transfer agents serve as the custodians of securityholder records, including records of securityholders' addresses, for issuers. In this capacity, transfer agents frequently are responsible for disseminating shareholder communications and dividend and interest payments. For various reasons, transfer agents occasionally have outdated or incorrect addresses for some securityholders ("lost securityholders").¹ As a result, these shareholders do not receive dividend and interest payments to which they are entitled. Generally, issuers retain custody of such dividend and interest payments, and if contact is not reestablished with a securityholder prior to the expiration of the appropriate state's escheat period, the issuer must turn the securityholder's assets over to the state unclaimed property administrator. While various transfer agents attempt to locate lost securityholders, the extent and type of efforts used vary considerably from one transfer agent to another.² The Securities and Exchange Commission ("Commission") believes that establishing minimum search requirements in this area will facilitate locating lost securityholders.

On August 22, 1996, the Commission issued for comment a release ("Proposing Release")³ proposing Rule 17Ad-17⁴ and Rule 17a-24⁵ under the Securities Exchange Act of 1934 ("Exchange Act") and proposing amendments to Rule 17Ad-7,⁶ which were designed to address the problem of

¹ For example, some securityholders do not provide a new address when they move.

² See Securities Exchange Act Release No. 37595 (August 22, 1996), 61 FR 44249 (release proposing Rule 17Ad-17 and Rule 17a-24), note 13 (discussing the methods transfer agents currently use to locate lost securityholders).

³ *Id.* The Commission later extended the comment period contained in the Proposing Release. Securities Exchange Act Release No. 37949 (November 15, 1996), 61 FR 59046 (extending comment period).

⁴ 17 CFR 240.17Ad-17.

⁵ 17 CFR 240.17Ad-24.

⁶ 17 CFR 240.17Ad-7.

lost securityholders. Proposed Rule 17Ad-17 would require that transfer agents exercise reasonable care, including conducting data base searches, in an effort to locate lost securityholders.⁷ The proposed amendment to Rule 17Ad-7 set forth the retention time periods for the records relating to compliance with proposed Rule 17Ad-17. Proposed Rule 17Ad-24 would have required certain entities that hold assets for others (e.g., transfer agents and broker-dealers) to file annually with the Commission a list of the social security numbers of all lost securityholders contained in their records. The Proposing Release also requested comment on whether either the Commission or a private entity should create and operate a lost securityholder data base.

The Commission received 57 comment letters from 52 commenters in response to the Proposing Release.⁸ The commenters in general expressed support for proposed Rule 17Ad-17 although several commenters expressed concerns about specific provisions of the proposed rule. The commenters in general expressed concern about proposed Rule 17a-24. The Commission is adopting Rule 17Ad-17 substantially as proposed but with some modifications to reflect commenters' views and is amending Rule 17Ad-7 as proposed. The Commission is adopting proposed Rule 17a-24 with substantial revisions and is making related changes to Form TA-2.⁹ In addition, the Commission has directed its staff to review the operations of the adopted rules after three years and to report back to the Commission on its findings.

⁷ The Proposing Release also discussed transfer agents' obligations under Rule 17Ad-10 to maintain and keep current accurate master securityholder files (defined below in note 10), which include information such as securityholders' names and addresses. The Proposing Release concluded that maintaining accurate securityholder files is one of the most basic steps in addressing the lost securityholder problem. The Commission believes that conducting data base search for lost securityholders pursuant to Rule 17Ad-17 will enhance a transfer agent's fulfillment of its responsibilities under Rule 17Ad-10.

⁸ The Commission received comment letters from eighteen transfer agents, five trade associations representing transfer agents, five individuals, three corporations, one broker-dealer, two professional search firms, and eighteen government entities. A summary of comments has been prepared by the staff of the Division of Market Regulation. The summary is included along with the comment letters in Public File No. S7-21-96, which is available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549.

⁹ Form TA-2 is referenced in 17 CFR 249b.102.