

obtain the benefit of Amex's advanced technology and system, certain Phlx rules will not apply to the trading of Dell options on Amex,¹⁹ the use of Phlx of Amex systems (such as AOF) that have already been approved by the Commission is an appropriate regulatory alternative under the circumstances. In light of the exigent circumstances, the Commission believes that the proposed solution is an appropriate measure that provides adequate regulatory protections.

The Commission also believes that it is consistent with the Act for Phlx to deputize Amex floor brokers as Phlx members, to trade Dell options, to help ensure sufficient access by the investing public to Phlx's satellite facility at Amex. The Commission notes that it has, on a prior occasion, authorized similar deputization to allow for the use of another exchange facility to trade options.²⁰ As noted above, the deputized Amex floor brokers would be subject to all provisions in Phlx rules that would apply today to a Phlx member in the course of his acting as a floor broker for an order in the Phlx Dell options on the Phlx trading floor, with certain minor appropriate exceptions. In addition, Phlx will have disciplinary jurisdiction and oversight over deputized Amex floor brokers relating to the trading of Dell options on the Amex floor. Finally, deputized Amex floor brokers will be required to attend a training seminar to familiarize them with Phlx rules and any relevant distinctions between Phlx rules and Amex rules before they will be allowed to execute orders as a floor broker in the Phlx Dell options.

Phlx's proposed view that Phlx By-Law Article XII, Section 12-11, which disclaims Phlx's liability to Phlx members for damages growing out of the use and enjoyment of Phlx's facilities, is applicable to Phlx business conducted on the Amex floor, is appropriate given that Phlx is leasing such space and will be conducting its business through such facilities. Likewise, it is appropriate for those Phlx members that are temporarily re-located to the Amex facility to accept the same limitations on liability of the Amex. These Phlx members will utilize the applicable Amex systems in a nearly identical fashion to which they would have relied on Phlx systems prior to the move. Therefore, this requirement is a reasonable component of the agreement

necessitate procedural changes for Phlx FLEX trades relating to symbols and Request-for-Quote processing.

¹⁹ See Discussion section, *supra*.

²⁰ See *supra* note 9.

to allow Phlx to create a temporary trading facility on Amex in Dell options.

Phlx essentially concludes that Phlx Dell options that will be traded on its temporary Amex facility should not be considered Amex-traded options for securities registration purposes and notes that in October 1989, when options listed on PCX were physically moved to Amex and other options exchanges, due to an earthquake, "OCC did not register those options at any other exchanges." The Commission believes that the continued trading of Phlx Dell options by Phlx using leased space on the floor of Amex does not cause such options to cease to be option traded on Phlx and that, accordingly, OCC does not need to amend its 1934 Act Registration to re-characterize these options as options listed or traded on another exchange.

Finally, the Commission notes that, to minimize investor confusion in the trading of Dell options, Phlx has stated that it will provide adequate notice to its members to ensure that they and the investing public are aware that Phlx Dell options are listed, traded and supervised according to Phlx rules, but are to be traded at a facility of Phlx located on the Amex floor. Phlx states that it has taken steps to advise member firms of the change in trading venue, so that they can make necessary system and order routing changes. These steps will include notice to members and an educational session with Phlx of deputized Amex members who will be trading Dell options at the new facility. Phlx is committed to monitoring events and will take additional steps as necessary to address specific confusion. These additional steps could include issuing press releases or making needed information otherwise available to Phlx's members and to the public.

For the reasons discussed above, 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 in the **Federal Register**. The Commission believes that it is necessary to approve Phlx's proposal on an accelerated basis to protect the trading interests of the investing public, due to the exigency of transferring the trading of Phlx Dell options from the Phlx trading floor, which is not currently capable of managing the high trading volume of Dell options, to another SRO floor where the Dell options can be effectively and efficiently traded.

It is therefore ordered, pursuant to Section 19(b)(2)²¹ of the Act that the proposed rule change (SR-Phlx-98-25)

²¹ 15 U.S.C. 78s(b)(2).

is hereby approved on an accelerated basis through December 12, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²²

Jonathan G. Katz,

Secretary.

[FR Doc. 98-16258 Filed 6-17-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Released No. 34-40082; File No. SR-Phlx-98-19]

Self-Regulatory Organization; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., and Amendment No. 1 Thereto Relating to When a Security is Considered Open For Trading

June 10, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 1, 1998, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Phlx. On May 22, 1998, the Phlx filed an amendment to the proposal.³ 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

The Phlx proposes to amend Phlx Rules 1047 (Trading Rotations, Halts and Suspensions), 1047A (Trading Rotations, Halts or Reopenings), and Option Floor Procedure Advice G-2 ("Advice G-2") (Trading Rotations, Halts or Reopenings), to clarify when a security is consider open for trading. Specifically, and underlying security

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Linda S. Christie, Counsel, Phlx, to Yvonne Fraticelli, Attorney, Division of Market Regulation ("Division"), Commission (May 22, 1998) ("Amendment No. 1"). In Amendment No. 1 Phlx replaces the phrase "principal exchange" in Rule 1047 with the phrase "primary market" to provide consistency with the language in the proposed amendments to Phlx Rule 1047A and Option Floor Procedure Advice G-2. Corresponding with Amendment No. 1, the word "exchange" should be replaced by the word "market" in the amended portion of Phlx Rule 1047. Telephone conversation between Linda S. Christie, Counsel, Phlx, and Marc McKayle, Attorney, Division, Commission (May 26, 1998).

shall be considered open for trading where a transaction has been reported or an opening indication disseminated, whichever occurs first, and there has not been an indication of a delayed opening given.

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 Phlx 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 Phlx 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

The Phlx proposes amending Phlx Rules 1047 (Trading Rotations, Halts and Suspensions), 1047A (Trading Rotations, Halts or Reopenings), and Options Floor Procedure Advice G-2 (Trading Rotations, Halts or Reopenings) to clarify when a security is open. These provisions govern the various types of option rotations. Commentary .01(a) of Rule 1047 pertains to opening rotations, specifying that the opening rotation in each class of options shall be held promptly following the opening of the underlying security on the principal market where it is traded. However, neither Commentary .01 of Rule 1047, Rule 1047A, or Advice G-2 delineates when a security is considered open for trading. For clarification purposes, the Phlx proposes amending Rule 1047 Commentary .01(a) to indicate that an underlying security shall be deemed to have opened on the primary market where it is traded if such market has either (1) reported a transaction in the underlying security, or (2) disseminated an opening quotation for the underlying security and given no indication of a delayed opening.⁴ A corresponding amendment is also proposed for Rule 1047A and Advice G-2. Thus, the proposal is intended to correct an ambiguity and expressly provide in Exchange rules that an opening quote signals the opening of a security.⁵ The

proposal should promote more prompt options openings by not requiring a transaction to occur in the underlying security.

The proposed rule change is consistent with Section 6 of the Act, in general,⁶ and Section 6(b)(5),⁷ in particular, in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in relating, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest. By clarifying the Exchange's provisions concerning options openings and encouraging more prompt openings, the aim of the Act should be achieved.

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

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

No written comments were either solicited or received.

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

Within 35 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 90 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 the Phlx 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.

IV. 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

disseminated on a prior trading day will be ineffective under this proposed rule change. Telephone conversation between Linda S. Christie, Counsel, Phlx, and Yvonne Fraticelli, Attorney, and Marc McKayle, Attorney, Division of Market Regulation, Commission (May 28, 1998).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(5).

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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-98-19 and should be submitted by July 9, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority:⁸

Jonathan G. Katz,
Secretary.

[FR Doc. 98-16261 Filed 6-17-98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Reports, Forms and Recordkeeping Requirements: Agency Information Collection Activity Under OMB Review

AGENCY: Office of the Secretary, DOT.

ACTION: Notice and request for comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collection and its expected burden. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on March 9, 1998, [63 FR 11472].

DATES: Comments must be submitted on or before July 20, 1998.

FOR FURTHER INFORMATION CONTACT: Judith Street, ABC-100; Federal Aviation Administration; 800 Independence Avenue, SW.;

⁴ Telephone conversation between Linda S. Christie, Counsel, Phlx, and Yvonne Fraticelli, Attorney and Marc McKayle, Attorney, Division of Market Regulation, Commission (May 28, 1998).

⁵ Only quotations disseminated at the opening of a trading day will be deemed to have opened the market in an underlying security. Stale quotations

⁸ 17 CFR 200.30-3(a)(12)