

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

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

*C. Self-Regulatory Organizations 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 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 self-regulatory organization consents, the Commission will:

(A) By order approve the 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 should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-Phlx-98-36 and should be submitted by October 2, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**DEPARTMENT OF STATE**

[Public Notice 2884]

**Privacy Act of 1974; Altered System of Records**

Notice is hereby given that the Department of State proposes to alter an existing system of records, STATE-36, pursuant to the provisions of the Privacy Act of 1974, as amended (5 U.S.C. (r)), and the Office of Management and Budget Circular No. A-130, Appendix I. The Department's report was filed with the Office of Management and Budget on August 24, 1998.

It is proposed that the current system will retain the name "Security Records." It is also proposed that due to the expanded scope of the current system, the system description will include revisions and/or additions to each section. These changes to the existing system description are proposed in order to reflect more accurately the Bureau of Diplomatic Security's record-keeping system, and a reorganization of activities and operations. Also, certain relevant records will be removed from "Security Access Control Records, STATE-55" and will become part of STATE-36. STATE-55 will be deleted in the near future.

Any persons interested in commenting on the altered system of records may do so by submitting comments in writing to Kenneth F. Rossman; Acting Chief; Programs and Policies Division; Office of IRM Programs and Services; Room 1239; Department of State; 2201 C Street, NW; Washington, DC 20520-1512. This system of records will be effective 40 days from the date of publication, unless we receive comments that will result in a contrary determination.

The altered system description, "Security Records, STATE-36" will read as set forth below.

Dated: August 24, 1998.

**Patrick F. Kennedy,**

*Assistant Secretary for the Bureau of Administration.*

**STATE-36**

**SYSTEM NAME:**

Security Records.

**SECURITY CLASSIFICATION:**

Unclassified and classified.

**SYSTEM LOCATION:**

Department of State, Bureau of Diplomatic Security, State Annex 1, 2401 E Street NW, Washington, DC 20037; State Annex 7, 7943-50 Cluny Court, Springfield, VA 22153; State Annex 10, 2121 Virginia Avenue NW, Washington, DC 20522; State Annex-11, 2216 Gallows Road, Dunn Loring, VA 22027; and overseas at some U.S. embassies, U.S. consulates general and U.S. consulates.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

Present and former employees of the Department of State including Diplomatic Security Special Agents; applicants for Department employment who have been or are presently being investigated for security clearance; contractors working for the Department; interns and detailees to the Department; individuals requiring access to the official Department of State premises who have undergone or are undergoing security clearance; some passport and visa applicants concerning matters of adjudication; individuals involved in matters of passport and visa fraud; individuals involved in unauthorized access to classified information; prospective alien spouses of American personnel of the Department of State; individuals or groups whose activities have a potential bearing on the security of Departmental or Foreign Service operations, including those involved in criminal or terrorist activity. Others files include individuals issued security violations or infractions; litigants in civil suits and criminal prosecutions of interest to the Bureau of Diplomatic Security; individuals who have Department building passes; unformed security officers; individuals named in congressional inquiries to the Bureau of Diplomatic Security; individuals subject to investigations conducted abroad on behalf of other Federal agencies; individuals whose activities other agencies believe may have a bearing on U.S. foreign policy interests.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

- (a) 5 U.S.C. 301, (Management of Executive Agencies);
- (b) 5 U.S.C. 7311 (Suitability, Security, and Conduct);
- (c) 5 U.S.C. 7531-33 (Adverse Actions, Suspension and Removal, and Effect on Other Statutes);
- (d) 8 U.S.C. 1104 (Aliens and Nationality—passport and visa fraud investigations);
- (e) 18 U.S.C. 111 (Crimes and Criminal Procedures) (Assaulting, resisting, or impeding certain officers or employees);

<sup>15</sup> CFR 200.30-(a)(12).

(f) 18 U.S.C. 112 (Protection of foreign officials, official guests, and internationally protected persons);

(g) 18 U.S.C. 201 (Bribery of public officials and witnesses);

(h) 18 U.S.C. 202 (Bribery, Graft, and Conflicts of Interest-Definitions);

(i) 18 U.S.C. 1114 (Protection of officers and employees of the U.S.);

(j) 18 U.S.C. 1116 (Murder or manslaughter of foreign officials, official guests, or internationally protected persons);

(k) 18 U.S.C. 1117 (Conspiracy to murder);

(l) 18 U.S.C. 1541-1546 (Issuance without authority, false statement in application and use of passport, forgery or false use of passport, misuse of passport, safe conduct violation, fraud and misuse of visas, permits, and other documents);

(m) 22 U.S.C. 211a (Foreign Relations and Intercourse) (Authority to grant, issue, and verify passports);

(n) 22 U.S.C. 842, 846, 911—(Duties of Officers and Employees and Foreign Service Officers) (Repealed, but applicable to past records);

(o) 22 U.S.C. 2454 (Administration)

(p) 22 U.S.C. 2651a (Organization of the Department of State);

(q) 22 U.S.C. 2658 (Rules and regulations; promulgation by Secretary; delegation of authority—applicable to past records);

(r) 22 U.S.C. 2267 Empowered security officers of the Department of State and Foreign Service to make arrests without warrant) (Repealed, but applicable to past records);

(s) 22 U.S.C. 2709 (Special Agents);

(t) 22 U.S.C. 2712 (Authority to control certain terrorism-related services);

(u) 22 U.S.C. 3921 (Management of service);

(v) 22 U.S.C. 4802, 4804(3)(D)—(Diplomatic Security) (generally) and (Responsibilities of Assistant Secretary for Diplomatic Security) (generally) (Repealed, but applicable to past records);

(w) 22 U.S.C. 4831-4835 (Accountability review, accountability review board, procedures, findings and recommendations by a board, relation to other proceedings);

(x) 44 U.S.C. 3101 (Federal Records Act of 1950, Sec. 506(a) as amended—applicable to past records);

(y) Executive Order 10450 (Security requirements for government employment);

(z) Executive Order 12107, Title 5 (Relating to the Civil Service Commission and Labor-Management in the Federal Service);

(aa) Executive Order 12958 and its predecessor orders (National security information);

(bb) Executive Order 12968 (Access to classified information);

(cc) 22 CFR Subchapter M (International Traffic in Arms—applicable to past records);

(dd) 40 U.S.C. Chapter 10 (Federal Property and Administrative Services Act (1949));

(ee) 31 U.S.C. (Tax Code);

(ff) Pub. L. 99-399, 8/27/86; (Omnibus Diplomatic Security and Antiterrorism Act of 1986, as amended);

(gg) Pub. L. 99-529, 10/24/86 (Special Foreign Assistance Act of 1986, concerns Haiti—applicable to past records);

(hh) Pub. L. 100-124, Section 155a (concerns special security program for Department employees responsible for security at certain posts—applicable to past records);

(ii) Pub. L. 100-202, 12/22/87 (Appropriations for Departments of Commerce, Justice, and State—applicable to past records);

(jj) Pub. L. 100-461, 10/1/88 (Foreign Operations, Export Financing, and Related Programs Appropriations Act);

(kk) Pub. L. 102-138, 10/28/91 (Foreign Relations Authorization Act, Fiscal Years 1992 and 1993)—applicable to past records.

#### CATEGORIES OF RECORDS IN THE SYSTEM:

Investigatory material relating to any category of individual described above, including case files containing items such as applications for passports and employment, photographs, fingerprints, birth certificates, credit checks, intelligence reports, security evaluations and clearances, other agency reports and informant reports; legal case pleadings and files; evidence materials collected during investigations; security violation files; training reports; weapons assignment data base; availability for special protective assignments; intelligence reports; counterintelligence material; counterterrorism material; internal Departmental memoranda; internal personnel, fiscal, and other administrative documents.

Additionally, security files contain information needed to provide protective services for the Secretary of State and visiting foreign dignitaries; and to protect the Department's official facilities. There are also information copies of investigations of individuals conducted abroad on behalf of other Federal agencies.

Finally, security files contain documents and reports furnished to the Department by other agencies concerning individuals whose activities

the other agencies believe may have a bearing on U.S. foreign policy interests.

#### ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

The information in the Security Records is used by:

(a) Appropriate committees of the Congress in furtherance of their respective oversight functions;

(b) Department of Treasury; U.S. Office of Personnel Management; Agency for International Development; U.S. Information Agency; Department of Commerce; Peace Corps; Arms Control and Disarmament Agency; U.S. Secret Service; Immigration and Naturalization Service; Department of Defense; Central Intelligence Agency; Department of Justice; Federal Bureau of Investigation; National Security Agency; Drug Enforcement Administration; and other Federal agencies inquiring pursuant to law or Executive Order in order to make a determination of general suitability for employment or retention in employment, to grant a contract or issue a license, grant, or security clearance;

(c) Any Federal, state, municipal, or foreign law enforcement agency for law enforcement purposes: threat alerts and analyses, protective intelligence and counterintelligence information as needed by appropriate agencies of the Federal government, states, municipalities, or foreign governments;

(d) Any other agency or Department of the Federal government pursuant to statutory intelligence responsibilities or other lawful purposes;

(e) Any other agency or Department of the Executive Branch having oversight or review authority with regard to its investigative responsibilities;

(f) A federal, state, local, or foreign agency or other public authority that investigates, prosecutes or assists in investigation, prosecution or violation of criminal law; enforces, implements or assists in enforcement or implementation of statute, rule, regulation or order;

(g) A federal, state, local or foreign agency or other public authority or professional organization maintaining civil, criminal, and other relevant enforcement or pertinent records such as current licenses; information may be given to a customer reporting agency: (a) In order to obtain information, relevant enforcement records or other pertinent records such as current licenses or (b) to obtain information relevant to an agency investigation, a decision concerning the hiring or retention of an employee or other personnel action, the issuance of a security clearance or the initiation of administrative, civil, or criminal action;

(h) Officials of the Department of other government agencies in the letting of a contract, issuance of a license, grant or other benefit, and the establishment of a claim;

(i) Any private or public source, witness, or subject from which information is requested in the course of a legitimate agency investigation or other inquiry to the extent necessary to identify an individual; to inform a source, witness or subject of the nature and purpose of the investigation or other inquiry; and to identify the information requested;

(j) An attorney or other designated representative of any source, witness or subject described in paragraph (i) only to the extent that the information would be provided to that category of individual itself in the course of an investigation or other inquiry;

(k) By a Federal agency following a response to its subpoena or to a prosecution request that such record be released for the purpose of its introduction to a grand jury.

Also see "Routine Uses" of Prefatory Statement published in the **Federal Register**.

**POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

Hard copy, microfilm, microfiche, tape recordings, electronic media and photographs.

**RETRIEVABILITY:**

The system is accessed by individual name, personal identifier or case number; but the files may be grouped for the convenience of the user by type, country code, group name, subject, contract number, weapons serial number, or building pass number.

**SAFEGUARDS:**

All employees of the Department of State have undergone a thorough personnel security background investigation. Access to the Department of State building and its annexes is controlled by security guards, and admission is limited to those individuals possessing a valid identification card or individuals under proper escort. Access to Annex 10 also has security access controls (code entrances) and/or security alarm systems. All records containing personal information are maintained in secured file cabinets or in restricted areas, access to which is limited to authorized personnel. Access to computerized files is password-protected and under the direct supervision of the system manager. The system manager has the

capability of printing audit trails of access from the computer media, thereby permitting regular *ad hoc* monitoring of computer usage.

**RETENTION AND DISPOSAL:**

Retention of those records varies depending upon the specific kind of record involved. The records are retired or destroyed in accordance with published schedules of the Department of State and as approved by the National Archives and Records Administration. More specific information may be obtained by writing to the Director, Office of IRM Programs and Services (A/RPS/IPS), Room 1239, Department of State, 2201 C Street, NW, Washington, DC 20520-1512.

**SYSTEM MANAGERS AND ADDRESS:**

Principal Deputy Assistant Secretary for Diplomatic Security and Director for the Diplomatic Security Service; Department of State; SA-10; 8th Floor; 2121 Virginia Avenue, NW; Washington, DC 20522-1003.

**NOTIFICATION PROCEDURE:**

Individuals who have reason to believe that the Bureau of Diplomatic Security may have security/investigative records pertaining to themselves should write to the Director; Office of IRM Programs and Services; Room 1239; Department of State; 2201 C Street, NW; Washington, DC 20520-1512. The individual must specify that he/she wishes the Security Records to be checked. At a minimum, the individual must include: Name; date and place of birth; current mailing address and zip code; signature; and a brief description of the circumstances which may have caused the creation of the record.

**RECORD ACCESS AND AMENDMENT PROCEDURES:**

Individuals who wish to gain access to or amend records pertaining to themselves should write to the Director; Office of IRM Programs and Services (address above).

**RECORD SOURCE CATEGORIES:**

These records contain information obtained from the individual; persons having knowledge of the individual; persons having knowledge of incidents or other matters of investigative interest to the Department; other U.S. law enforcement agencies and court systems; pertinent records of other Federal, state, or local agencies or foreign governments; pertinent records of private firms or organizations; the intelligence community; and other public sources. The records also contain information obtained from interviews, review of records, and other authorized investigative techniques.

**SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:**

Records originated by another agency when that agency has determined that the record is exempt under 5 U.S.C. 552a(j). Also, records contained within this system of records are exempted from 5 U.S.C. 552a(c)(3) and (4), (d), (e)(1), (2), (3), and (e)(4)(G), (H), and (I), and (f) to the extent they meet the criteria of section (j)(2) of the Act. See 22 CFR 171.32.

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**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**Aviation Rulemaking Advisory Committee; Transport Airplane and Engine Issues—New Tasks**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of new task assignments for the Aviation Rulemaking Advisory Committee (ARAC).

**SUMMARY:** Notice is given of new tasks assigned to and accepted by the Aviation Rulemaking Advisory Committee (ARAC). This notice informs the public of the activities of ARAC.

**FOR FURTHER INFORMATION CONTACT:** Stewart R. Miller, Transport Standards Staff (ANM-110), Federal Aviation Administration, 1601 Lind Avenue, SW., Renton, WA 98055-4056; phone (425) 227-1255; fax (425) 227-1320.

**SUPPLEMENTARY INFORMATION:**

**Background**

The FAA has established an Aviation Rulemaking Advisory Committee to provide advice and recommendations to the FAA Administrator, through the Associate Administrator for Regulation and Certification, on the full range of the FAA's rulemaking activities with respect to aviation-related issues. This includes obtaining advice and recommendations on the FAA's commitment to harmonize its Federal Aviation Regulations (FAR) and practices with its trading partners in Europe and Canada.

One area ARAC deals with is Transport Airplane and Engine Issues. These issues involve the airworthiness standards for transport category airplanes and engines in 14 CFR parts 25, 33, and 35 and parallel provisions in 14 CFR parts 121 and 135.

**The Tasks**

This notice is to inform the public that the FAA has asked ARAC to