

The proposal is designed to allow CHX members to continue to participate in the E-Session without incurring the fees normally associated with their CHX transactions.<sup>5</sup> According to the CHX, the vast majority of the securities that trade during the E-Session are already subject to order processing and transaction fee waivers under the current fee schedule because they are either NASDAQ/NMS issues or issues within the S&P 500. The CHX believes that waiving fees on the few remaining securities and on floor broker transactions in all securities will simplify the Exchange's fee-related communications with its members.

## 2. Statutory Basis

The CHX believes the proposed rule change is consistent with Section 6(b)(4) of the Act<sup>6</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members.

### *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 Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received.

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

The proposed rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder,<sup>8</sup> because it involves a due, fee, or other charge. At any time within 60 days of the filing of the proposed rule

change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 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 number SR-CHX-00-18, and should be submitted by June 12, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-15618 Filed 6-20-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42932; File No. SR-Phlx-99-32]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., to Increase the Maximum Order Size Eligibility for Automatic Execution**

June 13, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 23, 1999, 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 September 27, 1999 and January 23, 2000 the Phlx submitted Amendments Nos. 1 and 2 to the proposed rule change, respectively.<sup>3</sup> 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, pursuant to Rule 19b-4 under the Act, proposes to amend Phlx Rule 1080(c) to increase its maximum order size eligibility for the AUTO-X feature of the Phlx Automated Options Market ("AUTOM"). AUTOM is the Exchange's electronic order routing and delivery system for equity and index options. Currently, AUTO-X automatically executes customer market and marketable limit orders up to fifty contracts. The Exchange now proposes to permit AUTO-X to execute orders of up to seventy-five contracts.

### **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*

##### 1. Purpose

The purpose of the proposed rule change is to increase the maximum order size eligibility for AUTO-X from fifty to seventy-five contracts. Under the

<sup>3</sup> In Amendment No. 1, the Exchange designated the proposal as filed pursuant to Section 19(b)(2) of the Act. See Letter from Edith Hallahan, Deputy General Counsel, Phlx, to Nancy Sanow, Senior Special Counsel, Division of Market Regulation, Commission, dated September 23, 1999 ("Amendment No. 1"). In Amendment No. 2, the Exchange deleted a provision in the original proposal that restricted the increase in maximum order size eligibility to 100 options. See Letter from Nandita Yagnik, Phlx, to Nancy Sanow, Senior Special Counsel, Division of Market Regulation, Commission dated January 20, 2000 ("Amendment No. 2").

Time, Monday through Friday. The E-Session is currently approved to continue through October 1, 2000. See Securities Exchange Act Release No. 42463 (February 28, 2000), 65 FR 11817 (March 6, 2000) (SR-CHX-00-02).

<sup>5</sup> E-Session fees have been waived since the beginning of the E-Session. See Securities Exchange Act Release Nos. 42089 (November 2, 1999), 64 FR 60864 (November 8, 1999) (SR-CHX-99-23) (waiving fees from October 13, 1999 through December 31, 1999; 42329 (January 11, 2000), 65 FR 3000 (January 19, 2000) (SR-CHX-99-29) (waiving fees from January 1, 2000 through March 1, 2000; and 42486 (March 2, 2000) 65 FR 12601 (March 9, 2000) (SR-CHX-00-05) (waiving fees from March 2, 2000 through June 30, 2000). This proposal simply extends the waiver of the same fees through October 1, 2000. See June 12, 2000 telephone conversation between Paul O'Kelly, Executive Vice President, Market Regulation and Legal, CHX, and Joseph P. Morra, Special Counsel, Division of Market Regulation, SEC.

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

<sup>9</sup> 17 CFR 200.03-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

rules of the Exchange, customer market and marketable limit orders are routed to AUTO-X as follows. Through AUTOM, orders are routed from member firms directly to the appropriate specialist on the trading floor. Certain orders are eligible for AUTOM's automatic execution feature, AUTO-X. These orders are automatically executed at the disseminated quotation price on the Exchange and reported back to the originating firm.<sup>4</sup>

The Exchange represents that AUTO-X affords prompt and efficient automatic executions at the displayed price. Therefore, the Exchange believes that increasing automatic execution levels should provide the benefits of automatic execution to a larger number of customer orders. Further, the Exchange notes that this increase from fifty to seventy-five contracts is in line with prior changes to AUTO-X levels.<sup>5</sup>

The Exchange notes that there are many safeguards incorporated into Exchange rules to ensure the appropriate handling of AUTO-X orders. For example, Phlx Rule 1080(f)(iii) states that the specialist is responsible for the remainder of an AUTOM order where a partial execution has occurred. Phlx Rule 1015 governs quotation guarantees and requires the trading crowd to ensure that public customer orders are filled at the best market, at least to the extent of 10 contracts ("10-contract guarantee"). In addition, Options Floor Procedure Advice F-7 states that the volume guarantees (including AUTO-X levels) are deemed to be the stated size in any bid or offer voiced or displayed on the Options Floor. Therefore, quoted markets are guaranteed up to that size. Violations of any of these provisions could be referred to the Business Conduct Committee for disciplinary action.

The Wheel is a mechanism that allocates AUTO-X trades among specialists and Registered Options Traders ("ROT's"). An ROT has discretion to participate on the Wheel to trade any option class to which he is assigned. An increase in the maximum AUTO-X order size does not prevent an ROT from declining to participate on the Wheel. Because the Wheel rotates in 2-lot to 10-lot increments depending upon the size of the order, no single

ROT will be allocated the entire seventy-five contracts.<sup>6</sup>

The Exchange also has procedures that permit a specialist to suspend AUTO-X in extraordinary circumstances.<sup>7</sup> AUTOM users are notified of such situations. For example, in extraordinary (fast market) conditions, quotations are disseminated with an "F" once the ten-contract guarantee on the screen markets is suspended pursuant to Options Floor Procedure Advice F-10.

With respect to financial responsibility issues, the Exchange notes that it has a minimum net capital requirement respecting ROT's.<sup>8</sup> Furthermore, an ROT's clearing firm performs risk management functions to ensure that the ROT has sufficient financial resources to cover positions throughout the day. In this regard, the function includes real-time monitoring of positions. The Exchange believes that clearing firm procedures address the issue of whether an ROT has the financial capability to support trading of options orders as large as 75 contracts.

The Exchange believes that the increase should provide customers with quicker executions for a larger number of orders, by providing automatic rather than manual executions, thereby reducing the number of orders subject to manual processing. Increasing the AUTO-X maximum order size should not impose a significant burden on operation or capacity of the AUTOM System.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6<sup>9</sup> of the Act in general, and in particular, with Section 6(b)(5).<sup>10</sup> Specifically, the Exchange believes that the proposal is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; remove impediments to and perfect the mechanism of a free and open market; and protect investors and the public interest. Further, the Exchange believes that the proposal should enhance efficiency by providing automatic executions to a larger number of options orders.

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

Phlx does not believe that the proposed rule change will impose any 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 solicited or received with respect to the proposed rule change.

## 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 self-regulatory organization 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

The Commission invites interested persons to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. In addition, the Commission seeks comment concerning whether the proposed rule change fosters quote competition among options market professionals and enhances investors' interests in obtaining the best available price.

Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 2054-0609. 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 maybe 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. 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.

<sup>4</sup> See Phlx Rule 1080(c).

<sup>5</sup> See Securities Exchange Act Release No. 36248 (September 19, 1995), 60 FR 49653 (September 26, 1995) (approving a proposed rule change to increase the maximum automatic execution order size eligibility for public customer market and marketable limit orders for all equity and index options from twenty-five to fifty contracts.)

<sup>6</sup> Unlike ROT's (see discussion *supra*), specialists are required to participate on the Wheel. See Phlx Rule 1080(g).

<sup>7</sup> See Phlx Rule 1080(e) and Advice A-13.

<sup>8</sup> See Phlx Rule 703.

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(5).

SR-Phlx-99-32 and should be submitted by July 12, 2000.

For the Commission, by the Division of Market regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

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## DEPARTMENT OF STATE

[Public Notice 3338]

### Passport Services, Office of Field Operations, Field Coordination Division; Proposed Information Collection

**AGENCY:** Department of State

**ACTION:** 60-Day Notice of Proposed Information Collection; Statement of Nonreceipt of Passport, DSP-86.

**SUMMARY:** The Department of State is seeking Office of Management and Budget (OMB) approval for the information collection described below. The purpose of this notice is to allow 60 days for public comment in the **Federal Register** preceding submission to OMB. This process is conducted in accordance with the Paperwork Reduction Act of 1995.

The following summarizes the information collection proposal submitted to OMB:

*Type of Request:* Reinstatement.

*Originating Office:* Bureau of Consular Affairs, CA/PPT/FO/FC.

*Title of Information Collection:* Statement of Nonreceipt of Passport.

*Frequency:* On occasion.

*Form Number:* DSP-86.

*Respondents:* Customers who have not received the passports for which they originally applied.

*Estimated Number of Respondents:* 18,000/year.

*Average Hours Per Response:* 5 minutes ( $\frac{1}{12}$  hr).

*Total Estimated Burden:* 1,500 hours/year.

Public comments are being solicited to permit the agency to:

- Evaluate whether the proposed information collection is necessary for the proper performance of the functions of the agency.

- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection, including the validity of the methodology and assumptions used.

- Enhance the quality, utility, and clarity of the information to be collected.

- Minimize the reporting burden on those who are to respond, including through the use of automated collection techniques or other forms of technology.

**FOR ADDITIONAL INFORMATION:** Public comments, or requests for additional information, regarding the collection listed in this notice should be directed to R. Michael Holly, U.S. Department Of State, Bureau of Consular Affairs, SA-1, Room H904, 2401 E. Street, NW Washington, DC. 20522-0111. 202-663-2460.

Dated: May 18, 2000.

**George C. Lannon,**

*Deputy Assistant Secretary for Passport Services, U.S. Department of State.*

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

[Docket No. OST-96-1960]

### Requirement That Air Carriers Amend Plans To Address the Needs of Families of Passengers Involved in Aircraft Accidents

**AGENCY:** Office of the Secretary, DOT.

**ACTION:** Notice.

**SUMMARY:** This is to advise certificated air carriers that the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) (Pub. L. 106-181; 114 Stat. 61; April 5, 2000) amends 49 U.S.C. 41113(b) to require, among other things, that certificated air carriers submit to the Department and the National Transportation Safety Board additional assurances for their respective plans to address the needs of families of passengers involved in aircraft accidents. The content and filing requirements for the update to the plans applicable to certificated air carriers are set forth in Title IV, section 402, of AIR-21.

The additional assurances required to be submitted are described in Paragraphs (a)(1), (2), and (3) of section 402 of AIR-21. Under the section, certificated air carriers must submit their updated plans to the Department and the NTSB within 180 days of the statute's enactment. Since AIR-21 was signed into law on April 5, 2000, updated plans are due to be filed not later than Monday, October 2, 2000.

Each certificated carrier should submit its plan in its entirety, that is, the plan as it exists with the new assurances as set forth in AIR-21. We expect each certificated carrier to give a high priority to the timely preparation and

submission of its plan and meet the 180-day deadline for filing updated plans required by AIR-21. We note that the requirements of section 41113 apply to all certificated air carriers, including those holding cargo-only authority and those operating small aircraft. We remind all certificated carriers that while a carrier may, if it chooses, contract with an outside source to act as a point of contact and provide services covered in the submitted assurances in the event of an accident, in such a situation full responsibility for complying with the provisions of the law remains with the carrier.

We would also like to take this opportunity to request, on behalf of the NTSB, that each carrier provide the NTSB an updated 24-hour telephone number for its operations center for use in the event of an emergency, and that the number be updated with the NTSB in the future as necessary.

**DATES:** Updated plans are due to be filed not later than Monday, October 2, 2000.

**ADDRESSES:** Plans should be submitted to the Department and the NTSB at the following addresses:

Dockets—Docket OST-96-1960, U.S. Department of Transportation, 400 Seventh Street SW., Room PL 401, Washington, DC 20590;

Erik Grosof, Office of Family Affairs, National Transportation Safety Board, 490 L'Enfant Plaza East, SW., Washington, DC 20594.

### FOR FURTHER INFORMATION CONTACT:

Questions concerning the contents of the plans may be addressed to Erik Grosof, Office of Family Affairs, NTSB, at (202) 314-6189. Questions concerning the applicability of the requirements of section 41113 to a particular air carrier should be addressed to Dayton Lehman, Deputy Assistant General Counsel for Aviation Enforcement and Proceedings, DOT, at (202) 366-9342.

Thank you for your cooperation on this important issue.

Issued in Washington, DC, on June 8, 2000.

**Samuel Podberesky,**

*Assistant General Counsel for Aviation Enforcement and Proceedings.*

[FR Doc. 00-15654 Filed 6-20-00; 8:45 am]

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<sup>11</sup> 17 CFR 200.30-3(a)(12)