

number of takeoffs performed, and at the end of each day's operations, increase the accumulated RIN on the component history card as follows:

(1) Increase the RIN by 2 for each takeoff.
(2) Increase the RIN by 2 for each external load lift operation; or, increase the RIN by 4 for each external load lift operation in which the load is picked up at a higher elevation and released at a lower elevation, and the difference in elevation between the pickup point and the release point is 200 feet or greater.

(d) Remove the mast, P/N 214-040-090-109 or -121, from service on or before attaining an accumulated RIN of 140,000. The mast is no longer retired based upon flight hours. This AD revises the Airworthiness Limitations Section of the maintenance manual by establishing a new retirement life for the mast of 140,000 RIN.

(e) 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, Rotorcraft Certification Office, FAA, Rotorcraft Directorate. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Rotorcraft Certification Office.

Note 3: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Certification Office.

(f) 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 helicopter to a location where the requirements of this AD can be accomplished.

(g) This amendment becomes effective on April 16, 1997.

Issued in Fort Worth, Texas, on February 26, 1997.

Larry M. Kelly,

*Acting Manager, Rotorcraft Directorate,
Aircraft Certification Service.*

[FR Doc. 97-6089 Filed 3-11-97; 8:45 am]

BILLING CODE 4910-13-U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 228, 229, 239, 240, and 242

[Release Nos. 33-7400; 34-38363; IC-22540; International Series Release No. 1061; File No. S7-11-96]

RIN 3235-AF54

Anti-Manipulation Rules Concerning Securities Offerings; Corrections

AGENCY: Securities and Exchange Commission.

ACTION: Corrections to final regulations.

SUMMARY: This document contains technical amendments to correct the

final rules for Regulation M and related amendments published in the Federal Register on January 3, 1997 (62 FR 520). In addition, the market notification requirement of § 242.104(h) (1) and (2) is postponed until April 1, 1997.

DATES: The second sentence of the Effective Date for the rule published at 62 FR 520 is corrected to read as follows: "The requirements of § 242.104(h) (1) and (2) and § 242.104(i) and the amendments to § 240.17a-2 are effective on April 1, 1997."

The corrections published in this document are effective March 4, 1997.

FOR FURTHER INFORMATION CONTACT: Nancy J. Sanow, M. Blair Corkran, or Alan J. Reed in the Office of Risk Management and Control, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 5-1, Washington, D.C. 20549, at 202-942-0772.

SUPPLEMENTARY INFORMATION: The Commission is announcing technical amendments to Rule 100¹ under Regulation M, Rule 104² under Regulation M, Rule 10b-18³ under the Securities Exchange Act of 1934 ("Exchange Act"),⁴ Rule 13e-4⁵ under the Exchange Act, Item 508 under Regulation S-B,⁶ Item 508 under Regulation S-K,⁷ and Forms F-7,⁸ F-8,⁹ F-9,¹⁰ and F-10¹¹ under the Securities Act of 1933 ("Securities Act").¹² These amendments correct drafting errors in the rule text published in the release adopting Regulation M ("Adopting Release").¹³ The Commission also is announcing that the market notice requirements of Rule 104(h)¹⁴ will be effective on April 1, 1997.

I. Technical Amendments to Definitions in Rule 100

A. Business Day

In both the Adopting Release and the release proposing Regulation M ("Proposing Release"),¹⁵ the Commission stated that it intended Regulation M to require restricted periods commencing either one or five

business days prior to the day of pricing.¹⁶ The Proposing Release defined "business day" as "a twenty-four hour period determined with reference to the principal market for the securities to be distributed, and that includes a complete trading session for that market."¹⁷

The Commission adopted the definition of business day with a minor change: the business day was to commence at midnight and run 24 hours. This revision was intended to make the definition applicable to Rule 104, as well as Rules 101 and 102. Since publication of the Adopting Release, it has become apparent that the definition of business day as adopted had the potential effect of extending the restricted periods beyond the one or five days intended, where offerings are priced after the close of the principal market. This result, which would occur if the calculation of business day commenced at midnight, was not intended by the Commission.

Therefore, the definition of business day is amended by revising it to parallel the definition set forth in the Proposing Release. This correction eliminates the requirement that the 24 hour period begin at midnight.

B. Agent Independent of the Issuer

The text of the Adopting Release and the Proposing Release both indicated that a plan agent would not be deemed independent from the issuer where the issuer changed the source of shares to be distributed through the plan more frequently than once every three months.¹⁸ However, the definition of "agent independent of the issuer" in Rule 100 under Regulation M, as adopted, did not expressly include this limitation. This result was not intended by the Commission.

Accordingly, the definition is amended by adding the phrase "the source of the shares for the plan" to the proviso in paragraph (2). This amendment clarifies that an agent will not be deemed independent if the issuer changes the source of shares to fund the plan more often than once every three months.

II. Other Technical Amendments

A. Rule 102

Paragraph (b)(7)(ii) of Rule 102 incorrectly refers to paragraph (b)(6)(i) rather than to paragraph (b)(7)(i). The amendment corrects this error.

¹⁶ See Adopting Release, 62 FR at 525; Proposing Release, 61 FR at 17113.

¹⁷ Adopting Release, 62 FR at 545.

¹⁸ Adopting Release, 62 FR at 533; Proposing Release, 61 FR at 17121.

¹ 17 CFR 242.100.

² 17 CFR 242.104.

³ 17 CFR 240.10b-18.

⁴ 15 U.S.C. 78a *et seq.*

⁵ 17 CFR 240.13e-4.

⁶ 17 CFR 228.508.

⁷ 17 CFR 229.508.

⁸ 17 CFR 239.37.

⁹ 17 CFR 239.38.

¹⁰ 17 CFR 239.39.

¹¹ 17 CFR 239.40.

¹² 15 U.S.C. 77a *et seq.*

¹³ Securities Exchange Act Release No. 38067 (December 20, 1996), 62 FR 520.

¹⁴ 17 CFR 242.104(h).

¹⁵ Securities Exchange Act Release No. 37094 (April 11, 1996), 61 FR 17108.

B. Rule 104

Paragraph (f)(2)(i) of Rule 104 is amended by replacing the phrase "preceding business day" with "most recent prior day of trading in the principal market".

Paragraph (j)(2)(ii) incorrectly refers to paragraph (j)(1) rather than to paragraph (j)(2)(i). The amendment corrects this error.

C. Rule 10b-18

The Commission is amending the punctuation in paragraph (a)(3)(i) of Rule 10b-18 to correct the grammatical structure of the paragraph.

D. Rule 13e-4

Paragraph (h)(5)(i) of Rule 13e-4 is corrected to use the term "plan" rather than "issuer's plan" and to cite § 242.100 of this chapter, rather than Regulation M.

E. Item 508 of Regulations S-B and S-K

Item 508 of Regulations S-B and S-K was amended in the Adopting Release to include disclosure regarding syndicate short covering transactions and penalty bids. These activities invariably occur after the offer and sale phase of an offering.¹⁹ As adopted, Item 508 requires disclosure of these activities "during the offering."²⁰ This language may be misconstrued to limit the disclosure to only activities conducted during the offer and sale period of an offering. Therefore, this phrase is replaced with "in connection with the offering".

F. Forms F-7, F-8, F-9, and F-10

Securities Act Forms F-7, F-8, F-9, and F-10 are corrected to reference Regulation M.

III. Change of Effective Date of Rule 104(h)

The effective date of Rule 104(h) (1) and (2) under Regulation M is changed from March 4, 1997 to April 1, 1997. This change applies only to the provisions requiring prior notice to the market on which stabilizing, syndicate covering transactions, or penalty bids will be effected. Thus, this change does not affect a person's obligation to disclose that a bid is for the purpose of stabilizing to the person with whom the bid is placed, as required pursuant to Rule 104(h)(1). This change will provide self-regulatory organizations with the opportunity to implement procedures for receiving notification.

IV. Certain Findings

Under Section 553(b), notice of proposed rulemaking is not required when the agency for good cause finds that notice and public procedure thereon are "impracticable, unnecessary, or contrary to the public interest." Because the amendments adopted today are technical corrections to clarify the application of Regulation M, the Commission finds that publishing the amendments for comment would be unnecessary. The rules being amended were adopted after notice and the opportunity for public comment. The changes are responsive to concerns raised with the staff relating to ambiguity in the current language of the rules. Furthermore, if the changes were delayed so as to allow notice and the opportunity for comment, there is the danger of confusion regarding the obligations of underwriters and other market participants, with the possibility of some disruption of the process of capital raising.

Under Section 553(d), publication of a substantive rule not less than 30 days before its effective date is required except as otherwise provided by the agency for good cause. For the same reasons as described above with respect to notice and opportunity for comment, the Commission finds that there is good cause for having the rules become effective on March 4, 1997.

Pursuant to Section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Chairman of the Commission has certified that the amendments adopted in this release would not have a significant economic impact on a substantial number of small entities. This certification, including a statement of the factual basis therefor, is attached to this release as Appendix A.

The Paperwork Reduction Act of 1995²¹ does not apply to this rulemaking since these correcting amendments do not require any "collection of information."

Section 23(a)(2) of the Exchange Act²² requires the Commission to consider the anti-competitive effects of any rules it adopts thereunder, and to balance them against the benefits that further the purposes of the Act. Furthermore, Section 2 of the Securities Act²³ and Section 3 of the Exchange Act,²⁴ as amended by the recently enacted National Securities Markets Improvements Act of 1996,²⁵ provide

that whenever the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission also shall consider, in addition to the protection of investors, whether the act will promote efficiency, competition, and capital formation. Because the amendments here do not effect any substantive change in the rules they do not have any anti-competitive effects. Because they correct mistakes or clarify ambiguity present in the Commission's rules, they serve to promote efficiency, competition, and capital formation, and are therefore in the public interest.

V. Statutory Authority

The necessary nomenclature amendments to Securities Act Forms F-7, F-8, F-9, and F-10 and Exchange Act Rule 13e-4, reflecting the removal of Rules 10b-6, 10b-6A, 10b-7, and 10b-8 under the Exchange Act and the adoption of Regulation M, and the amendment to Exchange Act Rule 10b-18, are adopted under the Exchange Act, 15 U.S.C. 78a *et seq.*, particularly Sections 2, 3, 9(a)(6), 10(a), 10(b), 13(e), 15(c), 17(a), and 23(a), 15 U.S.C. 78b, 78c, 78i(a)(6), 78j(a), 78j(b), 78m(e), 78o(c), 78q(a), and 78w(a), and with respect to Forms F-7, F-8, F-9, and F-10, also under the Securities Act, particularly Sections 7, 10, and 19(a), 15 U.S.C. 77g, 77j, and 77s(a). The amendments to Item 508 of Regulations S-B and S-K are adopted under the Securities Act, 15 U.S.C. 77a *et seq.*, particularly Sections 6, 7, 8, 10, and 19(a), 15 U.S.C. 77f, 77g, 77h, 77j, and 77s(a); the Exchange Act, 15 U.S.C. 78a *et seq.*, particularly Sections 3, 4, 10, 12, 13, 14, 15, 16, and 23, 15 U.S.C. 78c, 78d, 78j, 78l, 78m, 78n, 78o, 78p, and 78w; and the Investment Company Act, 15 U.S.C. 80a-1 *et seq.*, particularly Sections 8 and 38(a), 15 U.S.C. 80a-8 and 80a-37(a). Regulation M is adopted under the Securities Act, 15 U.S.C. 77a *et seq.*, particularly Sections 7, 17(a), 19(a), 15 U.S.C. 77g, 77q(a), and 77s(a); the Exchange Act, 15 U.S.C. 78a *et seq.*, particularly Sections 2, 3, 9(a), 10, 11A(c), 12, 13, 14, 15(c), 15(g), 17(a), 23(a), and 30, 15 U.S.C. 78b, 78c, 78i(a), 78j, 78k-1(c), 78l, 78m, 78n, 78o(c), 78o(g), 78q(a), 78w(a), and 78dd-1; and the Investment Company Act, 15 U.S.C. 80a-1 *et seq.*, particularly Sections 23, 30, and 38, 15 U.S.C. 80a-23, 80a-29, and 80a-37.

VI. Correction of Publication

Accordingly, the publication on January 3, 1997 of the final regulations, which were the subject of FR Doc. No. 97-1, is corrected as follows:

²¹ 44 U.S.C. 3501 *et seq.*

²² 15 U.S.C. 78w(a)(2).

²³ 15 U.S.C. 77b.

²⁴ 15 U.S.C. 78c.

²⁵ Pub. L. No. 104-290, § 106, 110 Stat. 3416 (1996).

¹⁹ See Adopting Release, 62 FR at 535; Proposing Release, 61 FR at 17124-17125.

²⁰ Adopting Release, 62 FR at 543.

§ 228.508 [Corrected]

1. On page 543, in the first column, in § 228.508, paragraph (j), on the sixth line, the phrase "during the offering" is corrected to read "in connection with the offering".

§ 229.508 [Corrected]

2. On page 543, in the second column, in § 229.508, paragraph (l), on the sixth line, the phrase "during the offering" is corrected to read "in connection with the offering".

§ 239.37 [Amended]

3. Form F-7 (referenced in § 239.37) is amended by removing the phrase "Rules 10b-6, 10b-7 and 10b-8 under the Exchange Act" from General Instruction III.A. and adding, in its place, the phrase "Regulation M (17 CFR 242.100 through 242.105)".

Note: Form F-7 does not appear in the Code of Federal Regulations.

§ 239.38 [Amended]

4. Form F-8 (referenced in § 239.38) is amended by removing the phrase "Rules 10b-6, 10b-7 and 10b-13 under the Exchange Act. [See Exchange Act Release No. 29355 (June 21, 1991) containing exemptions from Rules 10b-6 and 10b-13.]" from General Instruction V.A. and adding, in its place, the phrase "Regulation M (17 CFR 242.100 through 242.105) and Rule 10b-13 under the Exchange Act [See Exchange Act Release No. 29355 (June 21, 1991) containing an exemption from Rule 10b-13.]".

Note: Form F-8 does not appear in the Code of Federal Regulations.

§ 239.39 [Amended]

5. Form F-9 (referenced in § 239.39) is amended by removing the phrase "Rules 10b-6 and 10b-7 under the Exchange Act" from General Instruction III.A. and adding, in its place, the phrase "Regulation M (17 CFR 242.100 through 242.105)".

Note: Form F-9 does not appear in the Code of Federal Regulations.

§ 239.40 [Amended]

6. Form F-10 (referenced in § 239.40) is amended by removing the phrase "Rules 10b-6 and 10b-7 under the Exchange Act" from General Instruction III.A. and adding, in its place, the phrase "Regulation M (17 CFR 242.100 through 242.105)".

Note: Form F-10 does not appear in the Code of Federal Regulations.

§ 240.10b-18 [Corrected]

7. On page 543, in the third column, in § 240.10b-18, paragraph (a)(3)(i), the third line is corrected by inserting a

comma between the words "chapter" and "during" and, in the fifth line, the phrase "common stock, or during a distribution" is corrected to read "common stock or a distribution".

§ 240.13e-4 [Corrected]

8. On page 544, in the first column, in § 240.13e-4, instruction 19 is revised to read:

Section 240.13e-4 is amended by removing the phrase "an issuer's plan, as that term is defined in § 242.100 of Regulation M" from paragraph (h)(5)(i) and adding, in its place, the phrase "a plan as that term is defined in § 242.100 of this chapter".

§ 242.100 [Corrected]

9. On page 545, in the second column, in the sixth paragraph, the 15th line is corrected by inserting the phrase "the source of the shares to fund the plan," after the word "period" and before the phrase "the basis".

10. On page 545, in the second column, in the sixth paragraph, the 16th line is corrected by inserting a comma after the word "plan" and before the word "or".

11. On page 545, in the second column, in the ninth paragraph commencing "Business day", the paragraph is revised to read as follows: "Business day refers to a 24 hour period determined with reference to the principal market for the securities to be distributed, and that includes a complete trading session for that market."

§ 242.102 [Corrected]

12. On page 547, in the third column, in the seventh paragraph, in the fifth line, the phrase "paragraph (b)(6)(i)" is corrected to read "paragraph (b)(7)(i)".

§ 242.104 [Corrected]

13. On page 549, in the first column, in paragraph (j)(2)(i), in the 11th line, the phrase "preceding business day" is corrected to read "most recent prior day of trading in the principal market".

14. On page 550, in the second column, in paragraph (j)(2)(ii), in the fifth line, the phrase "paragraph (j)(1)" is corrected to read "paragraph (j)(2)(i)".

By the Commission,
Dated: March 4, 1997.
Margaret H. McFarland,
Deputy Secretary.

Note: Appendix A to the Preamble will not appear in the Code of Federal Regulations.

Appendix A—Regulatory Flexibility Act Certification

I, Arthur Levitt, Chairman of the Securities and Exchange Commission, hereby certify pursuant to 5 U.S.C. 605(b) that: amendments

to Rule 100 under Regulation M, Rule 104 under Regulation M, Rule 10b-18 under the Securities Exchange Act of 1934 ("Exchange Act"), Rule 13e-4 under the Exchange Act, Item 508 under Regulation S-B, Item 508 under Regulation S-K, and Forms F-7, F-8, F-9, and F-10 under the Securities Act of 1933 ("Securities Act"), when promulgated, will not have a significant economic impact on a substantial number of small entities.

The amendments noted above are intended to correct mistakes or oversights in the drafting of Regulation M and amendments to related rules and regulations. They are technical changes that do not affect the application of the rules to small entities. Furthermore, these amendments do not affect the Final Regulatory Flexibility Act analysis prepared in conjunction with the adoption of Regulation M and amendments to related rules, available in Public File No. S7-11-96.

Dated: March 4, 1997.

Arthur Levitt,
Chairman.

[FR Doc. 97-5837 Filed 3-11-97; 8:45 am]

BILLING CODE 8010-01-P

RAILROAD RETIREMENT BOARD

20 CFR Part 216

RIN 3220-AB22

Eligibility for an Annuity

AGENCY: Railroad Retirement Board.

ACTION: Final rule.

SUMMARY: The Railroad Retirement Board amends its regulations to add the Surface Transportation Board to the list of entities for which employment will not break a "current connection" with the railroad industry which is necessary for the payment of occupational disability annuities and survivor annuities under the Railroad Retirement Act.

EFFECTIVE DATE: March 12, 1997.

ADDRESSES: Secretary to the Board, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611.

FOR FURTHER INFORMATION CONTACT: Thomas W. Sadler, Senior Attorney, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611 (312) 751-4513, TDD (312) 751-4701.

SUPPLEMENTARY INFORMATION: Public Law 104-88, the ICC Termination Act of 1995, 109 Stat. 803, abolished the Interstate Commerce Commission and transferred many of the functions of that agency to a new entity, the Surface Transportation Board, within the Department of Transportation. Section 323 of that Act amended section 1(o) of the Railroad Retirement Act (45 U.S.C. 231(o)) to add the Surface Transportation Board as an entity for whom a former railroad worker may