

meaning, administration or enforcement of an existing rule of the Association and, therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and subparagraph (e) of Rule 19b-4 thereunder.¹¹

At any time within 60 days of the filing of such 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 proposed rule change is consistent with the Act. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549. Copies of the submissions, 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, 450 Fifth Street, N.W., Washington D.C. Copies of such filing also will be available for inspection and copying at the NASD. All submissions should refer to File No. SR-NASD-98-10 and should be submitted by March 16, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39655; File No. SR-NSCC-97-17]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Revising NSCC's Fee Schedule

February 12, 1998.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on December 22, 1997, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change eliminates references to NSCC's discontinued securities transfer service in NSCC's fee schedule.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to eliminate references to NSCC's discontinued securities transfer service in NSCC's fee schedule. Earlier this year, NSCC discontinued its securities transfer service, which was also known as the national transfer service ("NTS"), by deleting NSCC Rule

42.³ However, that rule filing inadvertently failed to delete references to NTS in NSCC's fee schedule. Therefore, this amendment eliminates all references to NTS in NSCC's fee schedule.

The proposed rule change is consistent with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder because it facilitates the prompt and accurate clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will impact or will impose a 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 have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)⁵ of the Act and pursuant to Rule 19b-4(e)(4)⁶ promulgated thereunder because the proposed rule change effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in its custody or control and does not significantly affect the respective rights or obligations of the clearing agency or persons using the service. At any time within sixty days of the filing of such 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 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.,

³ Securities Exchange Act Release No. 38556 (April 29, 1997), 62 FR 24522.

⁴ 15 U.S.C. 78q-1.

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(e)(4).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 19b-4(e).

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by NSCC.

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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. All submissions should refer to File No. SR-NSCC-97-17 and should be submitted by March 16, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39666; File No. SR-NYSE-98-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. To Amend Exchange Rule 80B ("Trading Halts Due to Extraordinary Market Volatility")

February 13, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 10, 1998, the New York Stock Exchange, Inc. ("NYSE" 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 Self-regulatory organization. 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 proposed rule change consists of amendments to Exchange Rule 80B

("Trading Halts Due to Extraordinary Market Volatility").

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 self-regulatory organization 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 test of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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.

Rule 80B provides, in part, that if the Dow Jones Industrial Averagesm ("DJIA")³ falls 350 or more points below its previous trading day's closing value, trading in all stocks on the Exchange will halt for one half-hour, except that if the 350 or more point decline is reached at or after 3:00 p.m., there will be no halt in trading. It further provides that if on the same day the DJIA drops 550 or more points from its previous trading day's close, trading on the Exchange will halt for one hour, except that if the 550 point decline occurs after 2:00 p.m., but before 3:00 p.m., the halt will be one half-hour instead of one hour. But if the 550 point drop occurs in the last hour of trading (at or after 3:00 p.m.), the Exchange will close for the rest of the day. These provisions are in effect on a pilot basis through April 30, 1998.

Some believe that the current trigger levels are too low given the current DJIA level of approximately 8000. Others believe that static point values are unresponsive to dynamic market conditions, and prefer triggers based on a percentage of the DJIA, so that the triggers will move with the market. The Exchange is now proposing revisions to the trigger levels that address these concerns.

a. The Proposal. The Exchange proposes to set the triggers at 10%, 20% and 30% of the DJIA, calculated at the beginning of each calendar quarter, using the average closing value of the DJIA for the prior month, thereby establishing specific point values for the

quarter. Each trigger will be rounded to the nearest 50 points.

Generally, the halt for a 10% decline will be one hour. If the 10% trigger value is reached at or after 2:00 p.m., but before 2:30 p.m., the halt would be one half hour; at or after 2:30 p.m. the market would continue trading, unless a 20% decline occurred, in which case the market would close for the remainder of the day. Generally, the halt for a 20% decline will be two hours. If the 20% trigger value is reached at or after 1:00 p.m. but before 2:00 p.m. the halt would be one hour; at or after 2:00 p.m., trading would halt for the rest of the day. If the market declines by 30%, at any time, trading will be halted for the remainder of the day.

The Exchange has expanded the duration of the halts early in the day to address concerns that shorter periods were too compressed to respond adequately to extreme declines in the market. The Exchange believes that by varying the duration of the halt periods depending on the severity of the decline and the time of day it occurs, Rule 80B strikes a balance between the desire to reopen after a market-wide trading halt due to extraordinary volatility, and the need for there to be sufficient time before the scheduled close to allow for an orderly reopening.

The Exchange has filed a petition⁴ with the Commission to amend Rule 10b-18⁵ under the Exchange Act to extend the "safe harbor" provisions of the Rule. The Exchange wishes to reiterate its position, expressed in the petition, particularly in view of the amendments to Rule 80B proposed herein, that an expansion of the safe harbor provisions of Rule 10b-18 following a market-wide trading halt would benefit the market by providing additional liquidity during times of market stress. The Exchange requests that the Commission address the Exchange's concerns and amend Rule 10b-18 as proposed in the petition.

b. Price indications. The Exchange also proposes to amend Rule 80B to require that price indications be made during an intra-day Rule 80B trading halt for the stocks comprising the DJIA. This is designed to supply information to market participants on expected pricing levels for these highly capitalized stocks, and, thereby, the Index. Specialists in these stocks will have the responsibility to disseminate these price indications. Indications may

⁴ See letter to Jonathan Katz, Secretary, Commission, from James E. Buck, Senior Vice President and Secretary, NYSE, dated January 8, 1998.

⁵ 17 CFR 240.10b-18.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ "Dow Jones Industrial Average" is a service mark of Dow Jones & Company, Inc.