

exchange's jurisdiction for position and exercise limit purposes. The CBOE notes that while CBOE Rules 4.11 and 4.12 prohibit excessive positions or exercises in CBOE listed option contracts, the CBOE's rules do not currently prohibit a CBOE member from exceed applicable limits set by another exchange for non-CBOE listed option contracts. If the CBOE member is not a member of the other exchange which lists the option contracts, then the other exchange cannot enforce its position and exercise requirements against the CBOE member either.

The proposed amendments will extend CBOE Rules 4.11 and 4.12 to apply to option contracts dealt in on any exchange (rather than only to option contracts dealt in on the CBOE) by requiring a CBOE member who is effecting transactions in non-CBOE listed option contracts on another exchange, of which he or she is not a member, to comply with the position and exercise limits set by the exchange on which the transaction is effected. Thus, a CBOE members's customer transactions in non-Exchange listed options will be brought within the CBOE's jurisdiction for position and exercise limit purposes, if and when the other exchange on which the excessive transactions are effected does not have member jurisdiction over the CBOE member.

According to the CBOE, other national securities exchange have noted a similar jurisdictional shortfall. The CBOE anticipates that other exchanges will propose similar options position and exercise limit rule changes so that jurisdiction will be expanded uniformly and coherently among the exchanges.

In addition, the CBOE proposes to amend CBOE Rule 4.12 exercise limits to correlate to current CBOE position limits. Accordingly, the exercise limits will be increased to 4,500, 7,500, or 10,500 option contracts. Inadvertently, the CBOE's exercise limits were not increased when the equity option position limits were increased in December 1993.³

Finally, the CBOE proposes to amend CBOE Rules 4.11 and 4.12 to reflect that position and exercise limits are not fixed by the staff of the Exchange, rather than by the Board.⁴

The CBOE believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of section 6(b)(5), in

particular, in that it is designed to remove impediments to a free and open market and to protect investors and the public interest.

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

The CBOE 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 after 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 reason 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

Interested persons are invited to submit written data, views and arguments concerning the foregoing. 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 Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by June 21, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35757; File No. SR-PSE-95-15

Self Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to Administrative "Late" Charges

May 24, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on May 16, 1995, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") 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 PSE is proposing to amend its Schedule of Rates to establish a late charge, applicable to members and member organizations, for the failure to pay Exchange dues, fees, fines or charges that are past due.

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 text 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.

³ See Position Limit Approval Order, Supra note 2.

⁴ The Commission notes that any proposal to revise the Exchange's position and exercise limits must be filed with the Commission pursuant to Section 19(b)(2) under the Act.

⁵ 17 CFR 200.30-3(a)(12) (1994).

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

1. Purpose

The Exchange is proposing to establish an administrative charge applicable to members and member organizations that are substantially late in making payments to the Exchange of dues, fees, fines, or other charges. The purpose of the rule change is to recover the Exchange's costs in seeking to collect such payments when they are past due and to encourage members and member organizations to make such payments in a timely manner.

Currently, the Exchange provides invoices and related notices to members as follows: An initial invoice is sent to members approximately five days after a given month in which dues, fees and other charges are accrued (e.g., on March 5, a member is billed for fees and charges accrued in February). If no payment is made on the invoice within one month, the Exchange sends the member a "late" notice on the tenth day of the month following the month in which the invoices was issued (e.g., on April 10). Thereafter, if no payment is made by the 20th of that same month (i.e., April 20), the Exchange sends such member a second "late" notice. Under the proposal, the Exchange would apply a late charge concurrently with the issuance of the second "late" notice.

The amount of the late charge would be as follows: \$250.00 or 1.0 percent of the invoice amount (whichever is greater) upon the first occurrence of a second "late" notice within a 12-month period; and \$500 or 1.5 percent of the invoice amount (whichever is greater) if the member receives two or more second "late" notices within a 12-month period. For purposes of this provision, a member is "late" if the Exchange has sent such member a "second late notice" on a previous occasion.

Although Article XIV, Section 1(b) of the PSE Constitution permits the Exchange to suspend members and member organizations for such non-payment, the Exchange believes that the proposed charge will help to encourage members to pay their bills promptly, before a suspension is necessary.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act in that it provides for the equitable allocation of reasonable 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 burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

The foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange and therefore has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder. At any time within 60 days of the filing of such 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

Intereste persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions 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 at 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 PSE. All submissions should refer to File No. SR-PSE-95-15 and should be submitted by June 21, 1995.

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

Margaret H. McFarland,
Deputy Secretary.

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

Pipeline Safety User Fees

AGENCY: Research and Special Programs Administration, (RSPA), DOT.

ACTION: Notice.

SUMMARY: This notice announces that the fiscal year 1995 user fee assessments for pipeline facilities were mailed to pipeline operators the week of April 3, 1995.

FOR FURTHER INFORMATION CONTACT: Lisa Kokoszka, (202) 366-4554, U.S. Department of Transportation, RSPA, Office of Pipeline Safety, 400 Seventh Street SW., Washington, DC, 20590, regarding the subject matter of this notice.

SUPPLEMENTARY INFORMATION: The fee to be assessed for Natural Gas Transmission, Hazardous Liquid and Liquefied Natural Gas (LNG) are as indicated below:

Natural gas transmission pipelines: \$95.57 per mile (based on 299,077 miles of pipeline).

Hazardous liquid pipelines: \$47.03 per mile (based on 154,233 miles of pipeline).

LNG is based on the number of plants and total storage capacity:

| Total storage capacity BBLS | Assessment/plant |
|-----------------------------|------------------|
| <10,000 | = \$1,250 |
| 10,000-100,000 | = 2,500 |
| 100,000-250,000 | = 3,750 |
| 250,000-500,000 | = 5,000 |
| >500,000 | = 7,500 |

Section 60301 of Title 49, U.S.C.,¹ authorizes the assessment and collection of pipeline user fees to fund the pipeline safety activities conducted under 49 U.S.C. 60101 *et seq.* The Research and Special Program Administration (RSPA) assesses each operator of regulated interstate and intrastate natural gas transmission pipelines (as defined in 49 CFR Part

¹ Formally section 7005 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub.L. 99-272). The change in citation is the result of the enactment, on July 5, 1994, of Pub. L. 103-272, which codified various transportation laws.