

March 1996.⁵ This procedure is similar to that employed with equity options where the underlying security is subject to a two-for-one stock split, as well as the recent split of the Phlx's Semiconductor Index.⁶ The trading symbol will remain as XOC (plus any necessary wrap symbols).

In conjunction with the split, the Exchange will list strike prices surrounding the new, lower Index value, pursuant to Phlx Rule 1101A. The Phlx will announce the effective date by way of an Exchange memorandum to the membership, which will also serve as notice of the strike price and position limit changes.

The purpose of the proposal is to attract additional liquidity to the product in those series that public customers are most interested in trading. For example, a near-term, at the money call option series currently trades at approximately \$1,200 per contract. With the Index split, the same option series (once adjusted), with all else remaining equal, could trade at approximately \$600 per contract. Thus, certain investors and traders may currently be impeded from trading at such levels. A reduced value should, therefore, encourage additional investor interest.

The Phlx believes that XOC options provide an important opportunity for investors to hedge and speculate upon the market risk associated with the underlying over-the-counter stocks. By reducing the value of the Index, such investors will be able to utilize this trading vehicle, while extending a smaller outlay of capital. This should attract additional investors, and, in turn, create a more active and liquid trading environment.

For these reasons, the Phlx believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and with Section 6(b)(5) in particular,⁷ in that it is designed to promote just and equitable principles of trade, as well as to protect investors and the public interest. The Exchange believes that reducing the value of the Index does not raise manipulation concerns and will not cause adverse market impact, because the Exchange will continue to employ its surveillance procedures and has proposed an orderly procedure to achieve the Index split, including adequate prior notice to market participants.

⁵ The Exchange notes that following September expiration, June 1996 options are listed.

⁶ See Securities Exchange Act Release No. 35999 (July 20, 1995), 60 FR 38387 (July 26, 1995) (File No. SR-Phlx-95-41).

⁷ 15 U.S.C. § 78f(b)(5) (1988).

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

The Phlx 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

The Phlx received one comment letter opposing the proposed rule change from a financial planner at Smith Barney Shearson.⁸ According to the commenter, one of the primary inducements to trading the XOC Index is its volatility. If the Index is split in half, however, the commenter believes that investors will be unnecessarily forced to trade twice as many contracts in order to maintain their current degree of leverage. The commenter also opposes the proposed rule change because he believes that splitting the Index will reduce its value to an inappropriately low level. The commenter also suggests alternative split levels (e.g., a 4 for 3 split, or a 3 for 2 split) as a less problematic approach. In this manner, according to the commenter, the Index will retain a greater percentage of its current value. Finally, the commenter suggests that the Exchange postpone the splitting of the Index to provide investors with a reasonable amount of time to adjust their positions as a result of the proposed rule change.

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 Phlx 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W.,

⁸ See Letter from Barry J. Weisberg, Vice President, Smith Barney Shearson, to Andy Kolinsky, Vice President, Phlx, dated August 1, 1995.

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. 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-95-61 and should be submitted by December 5, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-27993 Filed 11-13-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36461; File No. SR-Phlx-95-38]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to an Increase in Position and Exercise Limits on the Phlx National Over-the-Counter Index

November 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 25, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities Exchange Commission ("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 Phlx, pursuant to Rule 19b-4 of the Act, proposes to increase the

⁹ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. § 78s (b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

position³ and exercise limits⁴ for options ("XOC") on its National Over-the-Counter Index ("Index")⁵ from 17,000 to 25,000 contracts.

The text of the proposed rule change is available at the Phlx and at the Commission.

I. 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 Exchange 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 raise XOC position and exercise limits to 25,000 contracts in order to increase liquidity, which should be enhanced by the ability to hold a higher position. In addition, the Exchange seeks to remain competitive with broad-based index option products traded on other exchanges.

Currently, the position limit for XOC options is 17,000 contracts. In early 1994, the Commission approved a 70% increase to the Phlx's position limit from 10,000 to 17,000 contracts.⁶ The Exchange notes that a proposal was recently filed by the Pacific Stock Exchange, Inc. ("PSE") to raise the position limit on its Technology Index to 37,500 contracts.⁷ In addition, most

³ Position limits impose a ceiling on the aggregate number of option contracts on the same side of the market that an investor, or group of investors acting in concert, may hold or write. See Phlx Rule 100A(a)(ii).

⁴ Exercise limits impose a ceiling on the aggregate long positions in option contracts that an investor, or group of investors acting in concert, can or will have exercised within five consecutive business days. See Phlx Rule 1002A.

⁵ The Index is a capitalization-weighted market index composed of the 100 largest capitalized stocks trading over-the-counter.

⁶ Securities Exchange Act Release No. 33634 (February 17, 1994), 59 FR 9263 (February 25, 1994) (File No. SR-Phlx-93-07). This increase corresponded to the listing of options on the Nasdaq 100 Index ("NDX") on the Chicago Board Options Exchange, Inc. ("CBOE") with a position limit of 25,000 contracts.

⁷ See Securities Exchange Act Release No. 36146 (August 23, 1995), 60 FR 45509 (August 31, 1995) (File No. SR-PSE-95-18).

market (broad-based) index options have position limits of at least 25,000 contracts,⁸ with certain products trading with even higher limits.⁹ Thus, the proposed rule change is intended to keep the Phlx in line with position limits of index options traded on other exchanges.

XOC options have been trading on the Exchange since 1985.¹⁰ The Index value is currently at 868,¹¹ with volume having increased sharply since 1991, and consistently since 1993.¹² At the current position limit, the aggregate dollar value of the maximum permissible XOC position is approximately \$1.5 billion.¹³ With the limit raised to 25,000 contracts, the aggregate dollar value would be increased to approximately \$2 billion.¹⁴ The Exchange believes that this compares with the values of other exchanges' broad-based index options,¹⁵ as well as its own.¹⁶

Recently, the Exchange filed a separate proposed rule change to conduct a "two-for-one split" of the Index, such that the value will be reduced by one-half.¹⁷ For example, with the Index at 868, the new Index value after the split would be 434. At the current position limit, the aggregate dollar value of the maximum permissible post-split XOC position would be approximately \$700 million.¹⁸ With the limit raised to 25,000 contracts, the aggregate dollar value of a post-split position would be approximately \$1 billion.¹⁹ The

⁸ See, e.g., American Stock Exchange, Inc.'s ("Amex") EUR-25,000 contracts, HKO-25,000 contracts, JPN-25,000 contracts; and CBOE's NDX-25,000 contracts.

⁹ See, e.g., CBOE's SPX-45,000 contracts, RUT-50,000 contracts; Amex's XII-45,000 contracts, XMI-34,000 contracts; New York Stock Exchange, Inc.'s ("NYSE") NYA and NNA-45,000 contracts each.

¹⁰ Securities Exchange Act Release No. 22044 (May 17, 1985), 50 FR 21532 (May 24, 1985).

¹¹ This value was recorded on September 14, 1995.

¹² XOC volume January-June 1995 was 167,894 contracts, compared to 158,228 contracts January-June 1993.

¹³ The aggregate dollar value of the maximum position is calculated by multiplying the Index value by the multiplier by the position limit as follows: $868 \times 100 \times 17,000 = \$1,475,600,000$.

¹⁴ $868 \times 100 \times 25,000 = \$2,170,000,000$.

¹⁵ These values were recorded on June 27, 1995:

CBOE: OEX $520 \times 100 \times 25,000 = \$1,300,000,000$

CBOE: SPX $545 \times 100 \times 45,000 = \$2,452,500,000$

CBOE: RUT $281 \times 100 \times 50,000 = \$1,405,000,000$

CBOE: NDX $534 \times 100 \times 25,000 = \$1,335,000,000$

Amex: XMI $477 \times 100 \times 34,000 = \$1,621,800,000$

PSE: WSX $363 \times 100 \times 37,500 = \$1,361,250,000$

NYSE: NYA $292 \times 100 \times 45,000 = \$1,314,000,000$

¹⁶ VLE: $518 \times 100 \times 25,000 = \$1,295,000,000$.

TPX: $482 \times 100 \times 25,000 = \$1,205,000,000$.

¹⁷ See File No. SR-Phlx-95-61.

¹⁸ $434 \times 100 \times 17,000 = \$737,000,000$.

¹⁹ $434 \times 100 \times 25,000 = \$1,085,000,000$.

Exchange believes that these post-split values also compare with the values of other exchanges' broad-based index options,²⁰ as well as its own.²¹

2. Statutory Basis

The Exchange believes 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 particular²² in that it is designed to prevent fraudulent and manipulative acts and practices, and to promote just and equitable principles of trade, as well as to protect investors and the public interest.

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

The Phlx 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 either 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 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 Phlx 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. 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

²⁰ See *supra* note 15. The Exchange notes that post-split the maximum size of the proposed XOC position would be lower than most other broad-based index options.

²¹ See *supra* note 16.

²² 15 U.S.C. § 78f(b)(5) (1988).

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 also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-95-38 and should be submitted by December 5, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²³

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-27992 Filed 11-13-95; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice No. 2281]

Shipping Coordinating Committee; Subcommittee on Ship Design and Equipment and Associated Bodies; Notice of Meeting

The Shipping Coordinating Committee will conduct an open meeting at 1:30 PM on Monday, December 04, 1995, in Room 2415, at U.S. Coast Guard Headquarters, 2100 Second Street, S.W., Washington, DC 20593. The purpose of the meeting is to prepare for the Thirty-ninth session of the Subcommittee on Ship Design and Equipment of the International Maritime Organization (IMO) which is scheduled for January 22-26, 1996, at IMO Headquarters in London, England.

Among other things, items of particular interest are: safety of passenger submersible craft; safety standards for combined pusher tug-barges; safe ocean towing guidelines; guidelines for the design & operation of passenger ships to the needs of elderly and disabled persons; ro-ro ferry & bulk carrier safety matters; ship structures matters; emergency sources of electrical power; role of the human element in maritime casualties; redundancy of machinery installations; review of existing ships' safety standards; and matters relating to lifesaving.

IMO works to develop international agreements, guidelines, and standards for the marine industry. In most cases, these form the basis for class society rules and national standards/

regulations. The U.S. Safety of Life at Sea (SOLAS) Working Group supports the U.S. Representative to the IMO Subcommittee in developing the U.S. position on those issues raised at the IMO Subcommittee meetings. Because of the impact on domestic regulations through development of these international agreements, the U.S. SOLAS Working Group serves as an excellent forum for the U.S. maritime industry to express their ideas. All members of the maritime industry are encouraged to send representatives to participate in the development of U.S. positions on those issues affecting your maritime industry and remain abreast of all activities ongoing within the IMO.

Members of the public may attend this meeting up to the seating capacity of the room. Interested persons may seek information by writing: CDR Jim Stamm, U.S. Coast Guard Headquarters, Commandant (G-MMS), 2100 Second Street, S.W., Washington, DC 20593-0001 or by calling: (202) 267-2206.

Dated: November 2, 1995.

Charles A. Mast,

Chairman, Shipping Coordinating Committee.

[FR Doc. 95-27974 Filed 11-13-95; 8:45 am]

BILLING CODE 4710-07-M

DEPARTMENT OF TRANSPORTATION

Maritime Administration

Voluntary Intermodal Sealift Agreement (VISA); Meeting

AGENCY: Maritime Administration, DOT.

ACTION: Notice of Meeting of Joint Planning Advisory Group.

The Maritime Administration and the United States Transportation Command, Co-Chairs of the Joint Planning Advisory Group (Group), announce the initial meeting of the Group to discuss administrative and operational issues under the Voluntary Intermodal Sealift Agreement, see 60 FR 54144, Oct. 19, 1995. The meeting will be in Room P1-1303, Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590, on November 15, 1995 from 9:30 a.m. to 2:00 p.m. If required, a closed meeting may be convened immediately following the public session for consideration of classified information.

CONTACT PERSON FOR ADDITIONAL INFORMATION: James E. Caponiti, Director, Office of Sealift Support (202) 366-2323.

By Order of the Maritime Administrator.

Dated: November 8, 1995.

Joel C. Richard,

Secretary.

[FR Doc. 95-28103 Filed 11-13-95; 8:45 am]

BILLING CODE 4910-81-P

National Highway Traffic Safety Administration

Discretionary Cooperative Agreement Program to Support the Development of an Index to Quantify the Functional Outcome of Pediatric Motor Vehicle Injuries

AGENCY: National Highway Traffic Safety Administration (NHTSA), DOT.

ACTION: Announcement of Discretionary Cooperative Agreement Program to Support the Development of an Index to Quantify the Functional Outcome of Pediatric Motor Vehicle Injuries.

SUMMARY: The National Highway Traffic Safety Administration (NHTSA) announces a discretionary cooperative agreement program to support research in the development of a derivative of the Functional Capacity Index that will be applicable to pediatric motor vehicle injuries, and solicits applications for projects under this program.

DATES: Applications must be received on or before January 17, 1996.

ADDRESSES: Applications must be submitted to the National Highway Traffic Safety Administration, Office of Contracts and Procurement (NAD-30), Attn: Amy Poling, 400 7th Street S.W., Room 5301, Washington DC 20590. All applications submitted must include a reference to NHTSA Cooperative Agreement Program No. DTNH22-94-H-06001.

FOR FURTHER INFORMATION CONTACT: Questions relating to this cooperative agreement program should be directed to Stephen Luchter, Senior Policy Advisor, Office of Plans and Policy (NPP-32), National Highway Traffic Safety Administration, 400 7th St. S.W., Room 5208, Washington, DC 20590; (202) 366-2576. General administrative questions may be directed to Amy Poling, Office of Contracts and Procurement, at (202) 366-9552.

SUPPLEMENTARY INFORMATION:

Background

NHTSA's mission is to reduce injuries and fatalities on the nation's highways. In order to have an objective way to determine where to place its limited resources, the agency has developed an expertise in quantitative measures of the consequences of motor vehicle crashes. These efforts have been largely devoted

²³ 17 CFR 200.30-3(a)(12) (1994).