

with regard to these development activities.

Rule 6970 propose to apply the Order Audit System requirements on January 31, 2000 to all Orders. Accordingly, non-electronic Orders, whether recorded at a market maker trading desk or at another location would be fully subject to all of the recording and reporting requirements of the Proposed Rules on such date. NASDR solicits comment on this issue and on the implementation schedule generally, based on system changes or other factors that would apply to members that do not presently maintain systems for electronic receipt and routing, and on any associated cost estimates.

NASDR believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act⁸ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest by creating an Order Audit System that would provide a substantially enhanced body of information regarding orders and transactions that would improve the NASDR's ability to conduct surveillance and investigations of member firms for violations of Association rules. In addition, the implementation of the Order Audit System would directly fulfill one of the undertakings contained in the SEC Order relating to the effectuation of the Association's regulatory responsibilities. Pursuant to the SEC Order, the Association agreed to undertake to design and implement by August 8, 1998 (or as specified by further Order of the Commission) an audit trail sufficient to enable the Association to reconstruct markets promptly, conduct efficient surveillance and enforce its rules.

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

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

In the process of developing the proposed rule change, NASDR consulted generally with industry

representatives and received a number of comment letters in connection with this consultation. Such comment letters are available from NASDR upon request.

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

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 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 NASD. All submissions should refer to file number SR-NASD-97-56 and should be submitted by September 26, 1997.

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

Jonathan G. Katz,

Secretary.

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BILLING CODE 8010-01-M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Applications of Custom Air Transport, Inc., for Certificate Authority

AGENCY: Department of Transportation.
ACTION: Notice of order to show cause (Order 97-8-29) Dockets OST-97-2255 and OST-97-2256.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Custom Air Transport, Inc., fit, willing, and able, and awarding it certificates of public convenience and necessity to engage in interstate and foreign charter air transportation of persons, property, and mail.

DATES: Persons wishing to file objections should do so no later than September 15, 1997.

ADDRESSES: Objections and answers to objections should be filed in Dockets OST-97-2255 and OST-97-2256 and addressed to Department of Transportation Dockets, U.S. Department of Transportation, 400 Seventh Street, S.W., Rm. PL-401, Washington, D.C. 20590, and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Ms. Carol A. Woods, Air Carrier Fitness Division (X-56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, DC 20590, (202) 366-2340.

Dated: August 29, 1997.

Charles A. Hunnicutt,

Assistant Secretary for Aviation and International Affairs.

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BILLING CODE 4910-62-P

DEPARTMENT OF TRANSPORTATION

Privacy Act of 1974; Notice To Amend System of Records To Include New Routine Uses

AGENCY: Department of Transportation.
ACTION: Notice to amend system of records to include new routine uses.

SUMMARY: In accordance with the Privacy Act (5 U.S.C. 552a(e)(11)), the Department of Transportation is issuing notice of our intent to amend the system of records entitled DOT/ALL 11, Integrated Personnel and Payroll System (IPPS) to include new routine uses. We invite public comment on this publication.

EFFECTIVE DATE: October 6, 1997.

⁸ 15 U.S.C. § 78o-3.

⁹ 17 CFR 200.30-3(a)(12).