

450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-00-11 and should be submitted by December 29, 2000.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43652; File No. SR-Phlx-00-96]

### Self Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc. To Disengage Its Automatic Execution System ("AUTO-X") for a Period of Thirty Seconds After the Number of Contracts Automatically Executed in a Given Option Meets the AUTO-X Minimum Guarantee for That Option

December 1, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 30, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On November 27, 2000, the Phlx filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from

interested persons and to approve the amended proposal on an accelerated basis.

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

The Phlx proposes a systems change to "AUTO-X," the automatic execution feature of the Exchange's Automated Options Market System ("AUTOM"),<sup>4</sup> that would disengage AUTO-X for a period of thirty seconds after the number of contracts automatically executed in a given option meets the AUTO-X minimum guarantee for that option. During such thirty-second period, all orders received via AUTOM would be executed manually by the specialist. The Exchange proposes to implement the systems change on a six-month pilot basis initially involving fifteen to thirty options approved by the Exchange's Options Committee.<sup>5</sup> AUTOM users would be notified of the systems change and of the options included in the pilot program through the issuance of a regulatory circular and on the Exchange's website.<sup>6</sup>

#### 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 Exchange 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 III 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 enable the Exchange to take a first step towards the implementation

of the dissemination of options quotations with size, as expected to be made available by the Options Price Reporting Authority ("OPRA") in January, 2001. It is anticipated that the systems change would assist specialists in maintaining fair and orderly markets during peak market activity, by allowing specialists to execute orders delivered via AUTOM manually for a limited period of time after the AUTO-X minimum guarantee is met.

The Exchange's Options Committee, pursuant to its authority under Exchange Rule 1080(c),<sup>7</sup> has determined to propose the implementation of a limited pilot program that would include the following features:

- Once an automatic execution occurs via AUTO-X in an option, the system would begin a "counting" program, which would count the number of contracts executed automatically for that option, up to the AUTO-X guarantee, regardless of the number of executions.
- When the number of contracts executed automatically for that option meets the AUTO-X guarantee (for example, fifty contracts executed) within a fifteen second time frame, the system would cease to automatically execute for that option, and would drop all AUTO-X eligible orders in that option for manual handling by the specialist for a period of thirty seconds to enable the specialist to refresh quotes in that option.<sup>8</sup>
- Upon the expiration of thirty seconds, automatic executions would resume and the "counting" program would be set to zero and begin counting the number of contracts executed automatically within a fifteen second time frame again, up to the AUTO-X guarantee.
- Again, when the number of contracts automatically executed meets the AUTO-X guarantee within a fifteen second time frame, the system would drop all subsequent AUTO-X eligible orders for manual handling by the specialist for a period of thirty seconds.

The Exchange believes that the pilot program set forth above would enable the Exchange to take a first step towards the implementation of options quotations that include size (*i.e.*, the number of contracts generally available

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, Commission, dated November 24, 2000 ("Amendment No. 1"). In Amendment No. 1, the Phlx clarified certain aspects of the proposed rule change. Among other things, Amendment No. 1: (i) Specifies the number of, and selection criteria for, options selected for the pilot program; (ii) represents that the Exchange will post on its website a list of options included in the program and will issue a circular to this effect; (iii) clarifies that orders received by AUTO-X that exceed the minimum guarantee will receive a partial automatic execution; and (iv) clarifies that upon the implementation of quotes with size, initially size will not be decremented, and the specialist will be responsible to fill orders at its disseminated quote up to the disseminated size.

<sup>4</sup> AUTOM is the Exchange's electronic order delivery and reporting system, which provides for the automatic entry and routing of equity option and index option orders to the Exchange trading floor. Orders delivered through AUTOM may be executed manually, or certain orders are eligible for AUTOM's automatic execution feature, AUTO-X. Equity option and index option specialists are required by the Exchange to participate in AUTOM and its features and enhancements. Option orders entered by Exchange members into AUTOM are routed to the appropriate specialist unit on the Exchange trading floor.

<sup>5</sup> See Amendment No. 1, *supra* note 3.

<sup>6</sup> See Amendment No. 1, *supra* note 3.

<sup>7</sup> Exchange Rule 1080(c) provides, in relevant part, that "[t]he Options Committee may for any period restrict the use of AUTO-X on the Exchange in any option series." See Securities Exchange Act Release No. 38792 (June 30, 1997), 62 FR 36602 (July 8, 1997) (SR-Phlx-97-24).

<sup>8</sup> Any orders delivered in excess of the minimum AUTO-X guarantee will be executed to the guaranteed amount and the excess will be dropped to the specialist for manual execution. See Amendment No. 1, *supra* note 3.

at the posted bid and ask for a given option). Currently, options quotations are disseminated without size.<sup>9</sup> The "counting" feature of the proposed system change would function to disengage AUTO-X for a period of thirty seconds in a given option once the number of contracts automatically executed meets the AUTO-X guarantee for that option within a fifteen-second time frame. A similar "counting" mechanism is expected to be utilized upon the implementation of the dissemination of options quotations with size. Thus, the proposed pilot program should allow the Exchange to begin the process of moving towards the implementation of quotations with size.<sup>10</sup>

It is also anticipated that the system change would assist specialists in maintaining fair and orderly markets during peak market activity, by allowing specialists to execute orders delivered via AUTOM manually for a limited period of time after the AUTO-X minimum guarantee is met to enable specialists to refresh their quotes.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6 of the Act<sup>11</sup> in general, and with section 6(b)(5) in particular,<sup>12</sup> in that it is designed to perfect the mechanism of a free and open market and a national market system, protect investors and the public interest and promote just and equitable principles of trade by enabling the Exchange to prepare for the dissemination of option quotes with size, and by enabling Exchange specialists to maintain fair and orderly markets during periods of peak market activity.

<sup>9</sup> Currently, Exchange specialists and registered options traders ("ROTs") are required to fill orders at the best market to a minimum of ten contracts. See Exchange Rule 1015(a). Exchange Rule 1080(c) provides that orders with a size of up to seventy-five contracts, subject to the approval of the Options Committee, are eligible for automatic execution via AUTO-X. However, quotations disseminated for options do not currently reflect the minimum AUTO-X size guarantee for a given option, or any size. Rather, AUTOM customers are advised of the minimum size guarantee by way of regularly published memoranda that include a list of all AUTO-X eligible options and the minimum guaranteed AUTO-X size for each such option. A major OPRA enhancement to the dissemination of quotations, to include size, is anticipated in January, 2001.

<sup>10</sup> Specialists will be required to fill orders up to the AUTO-X guarantee size. Upon the implementation of quotes with size, initially size will not be decremented, and the specialist will be responsible to fill orders at the disseminated quote up to the disseminated size. See Amendment No. 1, *supra* note 3.

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

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

The Exchange 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 Exchange did not receive or solicit any written comments on the proposed rule change.

## III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to the File No. SR-Phlx-00-96 and should be submitted by December 29, 2000.

## IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act, which requires that the rules of an exchange be designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national securities system, and protect investors and the public interest.<sup>13</sup> The Commission believes that the proposed rule change should help the Exchange to prepare for

disseminating its options quotes with size. In addition, the Commission believes that the proposal may assist specialists in maintaining fair and orderly markets during periods of peak market activity.

The Commission notes that the Exchange is implementing the proposed systems change to AUTO-X on a pilot basis in a limited number of options, which should enable the Phlx to evaluate the program's effectiveness with respect to dissemination of quotations with size, and whether the change is assisting its specialists in maintaining a fair and orderly market. Specifically, the Commission notes that the Exchange has represented that it will evaluate the pilot program by reviewing specialists' performance in the selected options, and by monitoring and complaints relating to the pilot program. Furthermore, the Commission believes that the Phlx has provided adequate notice of the proposed change to AUTO-X to members, member organizations, and the public. The Commission notes that the Exchange has represented that it will post on its website a list of options included in the pilot program, as well as issue a circular to this effect to members, member organizations, participants, and participant organizations.

Finally, the Commission, pursuant to section 19(b)(2) of the Act,<sup>14</sup> finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**.<sup>15</sup> The Commission believes that granting accelerated approval to this pilot program will allow Phlx to evaluate, without delay, the effectiveness of this systems change to AUTO-X and whether the change allows Phlx specialists the opportunity to update their quotes and maintain a fair and orderly market. Accordingly, the Commission finds that there is good cause, consistent with section 19(b)(2) of the Act,<sup>16</sup> to approve the proposal on an accelerated basis.

## V. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>17</sup> that the proposed rule change (SR-Phlx-00-96) and Amendment No. 1 thereto, are hereby approved on an accelerated basis.

<sup>14</sup> 15 U.S.C. 78s(b)(2).

<sup>15</sup> In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>16</sup> 15 U.S.C. 78s(b)(2).

<sup>17</sup> *Id.*

<sup>13</sup> 15 U.S.C. 78f(b)(5).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-31299 Filed 12-7-00; 8:45 am]

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## SOCIAL SECURITY ADMINISTRATION

### Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with Pub. L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

Written comments and recommendations regarding the information collection(s) should be submitted to the SSA Reports Clearance Officer and to the OMB Desk Officer at the following addresses:

(OMB)

Attn: Desk Officer for SSA, New Executive Office Building, Room 10230, 725 17th St., NW., Washington, DC 20503

(SSA)

Social Security Administration, DCFAM, Attn: Frederick W. Brickenkamp, 1-A-21 Operations Bldg., 6401 Security Blvd., Baltimore, MD 21235

I. The information collection listed below will be submitted to OMB within 60 days from the date of this notice. Your comments should be submitted to SSA within 60 days from the date of this publication. You can obtain a copy of the collection instrument by calling the SSA Reports Clearance Officer at 410-965-4145, or by writing to him at the address listed above.

Application Statement for Child's Insurance Benefits—0960-0010. Title II of the Social Security Act provides for payment of monthly benefits to the children of an insured retired, disabled or deceased worker, if certain conditions are met. The form SSA-4-BK

is used by the Social Security Administration to collect information needed to determine whether the child or children are entitled to benefits. The respondents are children of the worker or individuals who complete this form on their behalf.

	Life claims	Death claims
Number of Respondents .....	925,000	815,000
Frequency of Response .....	1	1
Average Burden Per Response (minutes) .....	10.5	15.5
Estimated Annual Burden (hours) .....	161,875	210,542

II. The information collections listed below have been submitted to OMB for clearance. Your comments on the information collections would be most useful if received by OMB and SSA within 30 days from the date of this publication. You can obtain a copy of the OMB clearance packages by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him at the address listed above.

1. *Application for Lump Sum Death Payment—0960-0013.* The information collected on form SSA-8 by the Social Security Administration is required to authorize payment of a lump-sum death benefit to a widow, widower, or children as defined in section 202(i) of the Social Security Act. The respondents are widows, widowers or children who apply for a lump-sum death payment.

*Number of Respondents:* 43,850.

*Frequency of Response:* 1.

*Average Burden Per Response:* 10 minutes.

*Estimated Annual Burden:* 7,308 hours.

2. *Request for Replacement SSA-1099/SSA-1042S Social Security Benefits Statement—0960-0583.* The information requested by the Social Security Administration (SSA) via the Internet will be used to verify identity and to provide replacement copies of Form SSA-1099/SSA-1042, which are needed to prepare Federal tax returns. This Internet option to request a replacement SSA-1099/SSA-1042 will eliminate the need for a phone call to a teleservice center or a visit to a field office. The respondents are beneficiaries who request a replacement SSA-1099/1042 via the Internet.

*Number of Respondents:* 7,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 5 minutes.

*Estimated Average Burden:* 583 hours.

Dated: December 4, 2000.

**Frederick W. Brickenkamp,**

*Reports Clearance Officer.*

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Public Notice of Waiver of Aeronautical Land-Use Assurance Lebanon Municipal Airport, West Lebanon, NH

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Request for public comments. Notice of intent of waiver with respect to land.

**SUMMARY:** The FAA is considering a proposal that a portion of airport property (approximately 2.06 acres located on the South side of the Terminal Road) is no longer needed for aeronautical use, as shown on the Airport Layout Plan. There appear to be no impacts to the airport by allowing the disposal of the property. The land was acquired under FAA Project No. 9-27-006-6002 (portion of Parcel No. 7) on September 2, 1960.

In accordance with section 47107(h) of title 49, United States Code, this notice is required to be published in the **Federal Register** thirty (30) days before modifying the land-use assurance which requires that the property be used for an aeronautical purpose. The purpose of the release of land will provide the abutting developer more flexibility in construction of his facility by allowing the set-back lines to be closer to Airport Road.

**DATES:** Comments must be received on or before January 8, 2001.

#### FOR FURTHER INFORMATION CONTACT:

Donna R. Witte, Airports Division, 12 New England Executive Park, Burlington, Massachusetts 01803. Telephone No. 781-238-7624/Fax 781-238-7608. Documents reflecting the proposed FAA action may be reviewed in person at 16 New England Executive Park, Burlington, Massachusetts or at the Lebanon Municipal Airport, West Lebanon, New Hampshire.

**SUPPLEMENTARY INFORMATION:** This notice announces that the FAA is considering the release of the subject airport property at Lebanon Municipal Airport, West Lebanon, New Hampshire. The disposition of proceeds from the disposal of airport property will be in accordance with FAA's Policy and Procedures Concerning the Use of Airport Revenue, published in the **Federal Register** on February 16, 1999.

<sup>18</sup> 17 CFR 200.30-3(a)(12).