

transfers of memberships. Additionally, the Exchange will be protected by requiring that the proceeds of all sales will be available to the Exchange to satisfy any outstanding charges owed by the member.

The proposed rule provides that bids and offers must be made in writing, and submitted to the Office of the Secretary by an approved applicant, member organization, or approved lessor. Bids and offers may only be filed in \$500 increments. Additionally, the proposed rule codifies exiting Exchange practice of requiring payment for a membership by certified or cashier's check payable to the Exchange. Furthermore, the rule specifies that sale of a membership shall be deemed negotiated and contracted when the filed bid and offer are matched in price and confirmed by the Office of the Secretary, and consummated upon receipt of payment from the purchaser for the purchase price and other associated membership initiation, transfer and prorated dues and other fees.

Section D of the proposed rule sets forth the procedures to be followed in privately negotiated sales and requests for transfer. This section provides for posting of a deposit to the Exchange to cover potential claims that could be asserted pursuant to By-Law Article XV.⁴ Only those transactions that conform to Section D would be processed for transfer and all other private sales would be void.

The following outlines the provisions of the proposed new rule. Section A provides the procedures for making an offer to purchase a membership. Section B provides the procedure for an offer to sell a membership. Section C contains the guidelines for determining the time when membership sales are deemed negotiated and contracted and when membership sales are consummated. Section D contains five situations that are exempt from the procedures laid out in Sections A and B. Subsection 1 contains sales to certain named categories of family members. Subsection 2 concerns transfers to a firm which is the member's successor in interest. Subsection 4 concerns transfer involved in a dissolution of a members entity. Subsection 5 concerns other private transfers that occur within the bid and offer of the public market for memberships. Section E proscribes that all members selling a membership must be current on all dues, fees and other membership charges before the sale will

be consummated. Section F limits the liability of the Exchange to its own negligence in matters pertaining to membership transactions.

In summary, only these transactions that confirm to specified provisions of the proposed rule would be processed for transfer. All other private sales would be void. The proposed rule is substantially similar to and modeled after the provisions of the Pacific Exchange, Inc. Rules 1.21 and 1.22 and the Chicago Board Options Exchange, Inc. Rule 3.14(c). The proposed rule results from discussions with concerned members and Exchange staff in an effort to codify the best practices of other exchanges respecting procedures for conducting the market in memberships and confirming existing Exchange practices to the provisions of a new rule.

2. Basis

The Exchange believes the proposed rule change is consistent with Section 6 of the Act in general,⁵ and in particular with Section 6(b)(5)⁶ because it is designed to promote just and equitable principles of trade and protects investors and the public interest by providing codified procedures for conducting the market in Exchange memberships by the Office of the Secretary of the Exchange.

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

Written comments were not received in response to Circular 98-109 which notified the membership of the intent of the Board of Governors to propose a new rule concerning these matters.

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 PHLX 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, 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, 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 in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of PHLX. All submissions should refer to File No. SR-Phlx-98-45 and should be submitted by January 13, 1999.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-33982 Filed 12-22-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40802; File No. SR-Phlx-98-42]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Increasing Maximum OTX AUTO-X Order Size Eligibility

December 17, 1998.

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 October 6, 1998, 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, II, and III below, which Items

⁴ By-Law Article XV sets forth procedures for transferring memberships. Section 15-3 provides that proceeds are to be distributed according to a provided seniority list.

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(5).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

have been prepared by the Phlx. 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 Exchange proposes to amend Phlx Rule 1080 to increase the maximum order size for eligibility for public customer market and marketable limit orders for OTC Prime Index ("OTX")³ options contracts to be executed on AUTO-X, the automatic execution feature of the Phlx's Automated Options Market ("AUTOM") system. Currently, public customer orders of up to 50 contracts are eligible for execution via AUTO-X. The Phlx is proposing to increase the maximum order size to 100 contracts.

Proposed new language is italicized; proposed deletions are bracketed.

Rule 1080(a) No Change

(b) No change.

(c) AUTO-X.—AUTO-X is a feature of AUTOM that automatically executes public customer market and marketable limit orders up to the number of contracts permitted by the Exchange for certain strike prices and expiration months in equity options and index options, unless the Options Committee determines otherwise. AUTO-X automatically executes eligible orders using the Exchange disseminated quotation and then automatically routes execution reports to the originating member organization. AUTOM orders not eligible for AUTO-X are executed manually in accordance with Exchange rules. Manual execution may also occur when AUTO-X is not engaged.

The Options Committee may for any period restrict the use of AUTO-X on the Exchange in any option or series. Currently, orders up to 50 contracts, subject to the approval of the Options Committee, are eligible for AUTO-X. *With respect to OTC Prime Index ("OTX") options, orders of up to 100 contracts are eligible for AUTO-X.*

The Options Committee may, in its discretion, increase the size of orders in one or more classes of multiply-traded equity options eligible for AUTO-X to the extent necessary to match the size of orders in the same options eligible for entry into the automated execution system of any other options exchange, provided that the effectiveness of any such increase shall be conditioned upon

its having been filed with the Securities and Exchange Commission pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934.

(d) No Change

(e) No Change

(f) No Change

(g) No Change

(h) No Change

. . . Commentary . . . No Change

II. Self-Regulatory Organization's Statements 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 Phlx 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

The purpose of the proposed rule change is to increase the maximum OTX AUTO-X option order size from 50 to 100 contracts. AUTO-X is the automatic execution feature of AUTOM, the Phlx's electronic order routing, delivery, and reporting system for options. Orders are routed from member firms directly to the appropriate specialist on the Phlx's trading floor. Certain orders are eligible for AUTOM's automatic execution feature, AUTO-X. These AUTO-X orders are automatically executed at the disseminated quotation price on the Exchange and reported to the originating firm. Those orders not eligible for AUTO-X are manually handled by the specialist. Currently, up to 50 contracts, subject to the approval of the Options Committee, are eligible for AUTO-X.⁴

The Exchange notes that this limited expansion of AUTO-X order size should not impose significant burdens on the operation and capacity of the AUTOM system; rather, AUTOM's effectiveness may be enhanced by the instant proposal by increasing the number of orders eligible for automatic execution, thereby reducing the need for manual processing.

The proposed rule change is consistent with Section 6(b)⁵ of the Act

in general, and in particular, with Section 6(b)(5),⁶ in that it is designed to promote just and equitable principles of trade, as well as to protect investors and the public interest by extending the benefits of automatic execution via AUTO-X to customers with OTX option orders for up to 100 contracts.

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.

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 Phlx 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, including whether the proposal 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. 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, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal

³The OTC Prime Index is composed of the fifteen stocks which had the largest trading volume on the Nasdaq during the preceding year. See Securities Exchange Act Release No. 40058 (June 2, 1998), 63 FR 31543 (June 9, 1998).

⁴ See Securities Exchange Act Release No. 38792 (June 30, 1997), 62 FR 36602 (July 8, 1997) (SR-Phlx-97-24).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

office of the Phlx. All submissions should refer to File No. SR-Phlx-98-42 and should be submitted by January 13, 1999.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-33983 Filed 12-22-98; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3145]

State of Texas; Amendment #4

In accordance with information received from the Federal Emergency Management Agency dated December 7 and 8, 1998, the above-numbered Declaration is hereby amended to include Grimes, Polk, and Trinity Counties in the State of Texas as a disaster area due to damages caused by severe storms, flooding, and tornadoes. This declaration is further amended to establish the incident period for this disaster as beginning on October 17 and continuing through November 15, 1998, and to extend the deadline for filing applications for physical damage to January 21, 1999 in the following counties: Grimes, Harris, Liberty, Montgomery, Polk, San Jacinto, Trinity, and Victoria.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Angelina, Houston, Madison, and Tyler in the State of Texas may be filed until the specified date at the previously designated location. Any counties contiguous to the above-named primary counties and not listed herein have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage for all other counties is December 19, 1998, and for economic injury the termination date is July 21, 1999.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: December 14, 1998.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 98-33877 Filed 12-22-98; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

Notice of Application for Approval of Discontinuance or Modification of a Railroad Signal System or Relief From the Requirements of Title 49 Code of Federal Regulations Part 236

Pursuant to Title 49 Code of Federal Regulations (CFR) Part 235 and 49 U.S.C. App. 26, the following railroads have petitioned the Federal Railroad Administration (FRA) seeking approval for the discontinuance or modification of the signal system or relief from the requirements of 49 CFR Part 236 as detailed below.

Docket No. FRA-1998-4628.

Applicant: Central Kansas Railway, L.L.C., Mr. L. R. Mitchell, Superintendent, 1825 West Harry Street, Wichita, Kansas 67213.

The Central Kansas Railway, L.L.C. seeks approval of the proposed discontinuance and removal of the automatic interlocking signal system, on the single main track, Hoisington Subdivision, at Scott City, Kansas, milepost 681.8, associated with the installation of two connecting tracks, one north and one south of the Hoisington main track, which will enable eastward or westward train movements from the crossing at grade.

The reasons given for the proposed changes is that the pole line affecting the interlocking was severely damaged during an ice storm in March 1998, and only one train movement is operated over the interlocking daily.

Any interested party desiring to protest the granting of an application shall set forth specifically the grounds upon which the protest is made and contain a concise statement of the interest of the Protestor in the proceeding. The original and two copies of the protest shall be filed with the Associate Administrator for Safety, FRA, 400 Seventh Street, S.W., Mail Stop 25, Washington, D.C. 20590 within 45 calendar days of the date of publication of this notice. Additionally, one copy of the protest shall be furnished to the applicant at the address listed above.

FRA expects to be able to determine these matters without an oral hearing. However, if a specific request for an oral hearing is accompanied by a showing that the party is unable to adequately present his or her position by written statements, an application may be set for public hearing.

Issued in Washington, D.C. on December 15, 1998.

Grady C. Cothen, Jr.,

Deputy Associate Administrator for Safety Standards and Program Development.

[FR Doc. 98-33899 Filed 12-22-98; 8:45 am]

BILLING CODE 4910-06-P

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

Notice of Application for Approval of Discontinuance or Modification of a Railroad Signal System or Relief From the Requirements of Title 49 Code of Federal Regulations Part 236

Pursuant to Title 49 Code of Federal Regulations (CFR) Part 235 and 49 U.S.C. App. 26, the following railroads have petitioned the Federal Railroad Administration (FRA) seeking approval for the discontinuance or modification of the signal system or relief from the requirements of 49 CFR part 236 as detailed below.

Docket No.: FRA-1998-4630

Applicant: Consolidated Rail Corporation, Mr. J.F. Noffsinger, Chief Engineer—C&S Assets, 2001 Market Street, P.O. Box 41410, Philadelphia, Pennsylvania 19101-1410.

The Consolidated Rail Corporation seeks approval of the proposed discontinuance and removal of "CP Wall" Interlocking, milepost 87.4, near Lebanon, Pennsylvania, on the Harrisburg Line and Cornwall Industrial Track, Philadelphia Division, consisting of the discontinuance and removal of all controlled signals, conversion of remaining switches to hand operation, and installation of electric locks for the switches on tracks No. 1 and No. 2.

The reason given for the proposed changes is to retire facilities no longer required for present operation.

Any interested party desiring to protest the granting of an application shall set forth specifically the grounds upon which the protest is made, and contain a concise statement of the interest of the Protestor in the proceeding. The original and two copies of the protest shall be filed with the Associate Administrator for Safety, FRA, 400 Seventh Street, S.W., Mail Stop 25, Washington, D.C. 20590 within 45 calendar days of the date of publication of this notice. Additionally, one copy of the protest shall be furnished to the applicant at the address listed above.

FRA expects to be able to determine these matters without an oral hearing. However, if a specific request for an oral hearing is accompanied by a showing that the party is unable to adequately

⁷ 17 CFR 200.30-3(a)(12).