

200 of the Accomplishment Instructions of that service bulletin.

(e) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, New York Aircraft Certification Office (ACO), ANE-170, FAA, Engine and Propeller Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, New York ACO.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the New York ACO.

(f) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(g) The inspections, measurement, repair, and restoration shall be done in accordance with de Havilland Service Bulletin S.B. 8-73-18 (for Model DHC-8-100 series airplanes), or de Havilland S.B. 8-73-19 (for Model DHC-8-300 series airplanes), both dated April 29, 1994. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Bombardier Inc., Bombardier Regional Aircraft Division, Garratt Boulevard, Downsview, Ontario, Canada M3K 1Y5. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at FAA, Engine and Propeller Directorate, New York Aircraft Certification Office, 10 Fifth Street, Third Floor, Valley Stream, New York; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(h) This amendment becomes effective on May 30, 1995.

Issued in Renton, Washington, on April 20, 1995.

Darrell M. Pederson,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 95-10203 Filed 4-27-95; 8:45 am]

BILLING CODE 4910-13-U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 240 and 249

[Release No. 34-35637; File No. S7-4-95]

RIN 3235-AG28

Unlisted Trading Privileges

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Commission is adopting new rules and amendments to existing rules concerning unlisted trading privileges ("UTP"). The rules would

reduce the period that exchanges have to wait before extending UTP to any listed initial public offering, from the third trading day in the security to the second trading day in the security. The rules also would require exchanges to have rules and oversight mechanisms in place to ensure fair and orderly markets and the protection of investors with respect to UTP in any security.

EFFECTIVE DATE: April 21, 1995.

FOR FURTHER INFORMATION CONTACT:

Betsy Prout, 202/942-0170, Attorney, Office of Market Supervision, Division of Market Regulation, Securities and Exchange Commission (Mail Stop 5-1), 450 5th Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

I. Introduction

On February 2, 1995, the Securities and Exchange Commission ("Commission") proposed for comment rules¹ under Section 12(f) of the Securities Exchange Act of 1934 ("Exchange Act"),² as recently amended by the Unlisted Trading Privileges Act of 1994 ("UTP Act"). The proposed rules would have: (1) Required national securities exchanges ("exchanges"), for any security that is the subject of an initial public offering ("IPO") and is listed on another exchange ("listed IPO"), to wait until the listing exchange reports the first trade in the security to the Consolidated Tape before trading the security pursuant to unlisted trading privileges ("UTP"); (2) required each national securities exchange to have in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP; and (3) amended certain existing rules under Section 12(f) of the Exchange Act to conform to the recent statutory amendments effected by the UTP Act. The Commission also requested comments on alternatives to the proposed rule concerning UTP in listed IPOs from commenters who believe that either no waiting period or a longer waiting period would be appropriate. In addition, the Commission requested comment on whether any Commission action is necessary to carry out the congressional objectives of linked markets as required by Section 11A(a)(1)(D) of the Exchange Act.³

¹ See Securities Exchange Act Release No. 35323 (February 2, 1995), 60 FR 7718 ("Proposing Release").

² 15 U.S.C. 78l.

³ 15 U.S.C. 78k-1(a)(1)(D).

The Commission received nine comment letters on the proposed rules,⁴ eight of which discuss the proposed rule concerning UTP in listed IPOs.⁵ The Commission also received, prior to publication of the proposed rules in the **Federal Register**, a report presenting certain volume and price parameter statistics of listed IPOs.⁶

The Commission is adopting the rules as proposed, except for the rule that would have required exchanges to wait, before extending UTP to listed IPOs, until the first trade is reported by the listing exchange. Instead, that proposed rule is being replaced with a requirement that exchanges wait, before trading a listed IPO pursuant to UTP, until the opening of business on the day following the initial public offering of the security on the listing exchange.

II. Background

As stated above, the Commission is adopting rules pursuant to the UTP Act, which recently amended Section 12(f) of the Exchange Act. The UTP Act became effective on October 22, 1994. As discussed more fully in the Proposing Release and below, the UTP Act amended Section 12(f) of the Exchange Act to require the Commission to prescribe rules concerning UTP in listed IPOs. Rule 12f-2, as adopted, meets this requirement. The UTP Act also authorizes the Commission to prescribe other rules pertaining to exchange extensions of UTP, and specifically authorizes the Commission to prescribe, by rule or order, the procedures that will apply to exchanges when they apply to reinstate UTP in a security after the Commission has suspended UTP in the security on the applicant exchange.

Section 12(f) governs when an exchange may trade a security that is

⁴ See letters from James F. Duffy, American Stock Exchange, Inc., dated March 21, 1995 ("Amex letter"), George W. Mann, Boston Stock Exchange, Inc., dated March 6, 1995 ("BSE letter"), Lisa W. Barry, CS First Boston, dated March 14, 1995 ("CS First Boston letter"), J. Craig Long, Foley & Lardner, dated March 20, 1995 ("Chx letter"), Richard T. Chase, Lehman Brothers, dated March 10, 1995 ("Lehman letter"), James E. Buck, New York Stock Exchange, Inc., dated March 15, 1995 ("NYSE letter"), Leopold Korins, Pacific Stock Exchange, Inc., dated March 14, 1995 ("PSE letter"), John C. Katovich, Pacific Stock Exchange, Inc., dated March 29, 1995 ("PSE response"), and William Uchimoto, Philadelphia Stock Exchange, Inc., dated March 29, 1995 ("Phlx response"), to Jonathan G. Katz, Secretary, SEC.

⁵ See BSE letter, Chx letter, CS First Boston letter, Lehman letter, NYSE letter, PSE letter, Phlx response, and PSE response, *id.*

⁶ See letter and report from William Uchimoto, Philadelphia Stock Exchange, Inc., dated February 6, 1995 ("Phlx Study"). The Phlx Study was submitted to the Commission on behalf of the Boston Stock Exchange, Inc., the Chicago Stock Exchange, Inc., the Philadelphia Stock Exchange, Inc., and the Pacific Stock Exchange, Inc.