

SUPPLEMENTARY INFORMATION for further filing information.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, 202-789-6820.

SUPPLEMENTARY INFORMATION: On October 15, 2002, Consumer Action (CA), a nonprofit membership-based organization based in San Francisco, California, filed a petition requesting the Commission to initiate proceedings concerning fourteen (14) services (or products) offered by the Postal Service to the public.¹ In support of its petition, CA incorporates by reference a letter it co-authored with the Office of the Consumer Advocate (OCA) that provides the petitioner's legal argument and the substantive and procedural relief requested.² In their joint letter, CA and OCA request the Commission to institute a proceeding: (1) To review and determine whether the enumerated services are subject to the Commission's rate and classification jurisdiction under §§ 3622 and 3623 of the Postal Reorganization Act; and (2) if some services are not subject to the Commission's jurisdiction, to establish new accounting and reporting rules to ensure a complete separation of "non-jurisdictional (domestic)" costs and revenues from those of jurisdictional services.³

Reasons for Deferring Formal Action

During the Commission's consideration of the petition, the Chairman received a letter from the Chairman of the Board of Governors noting, inter alia, that the petition had been filed, that the Board viewed its assertions very seriously, and that the Postal Service currently is conducting an evaluation of what is characterized as its "non-postal service offerings."⁴ Chairman Rider expressed the hope that, prior to addressing the request for

¹ Petition of Consumer Action Requesting that the Commission Institute Proceedings to (1) Review the Jurisdictional Status of Fourteen Specified Services and (2) Establish Rules to Require a Full Accounting of the Costs and Revenues of Non-Jurisdictional Services, October 15, 2002 (Petition).

² Id. at 3. The joint letter is attached to the petition.

³ See Joint Letter at 4; see also Petition at 1. The fourteen services identified are: Liberty Cash, Sure Money, Online Payment Services, including eBillPay, Pay@Delivery, and USPS Send Money, ePayments, NetPost CardStore, NetPost Certified Mail, Electronic Postmark, Unisite Antenna Program, Returns@Ease, Mall Package Shipment Program, First Class Phone Cards, and Retail Merchandise. CA and OCA also reserve the right to supplement the list should other such services come to light.

⁴ Letter to the Honorable George A. Omas from the Honorable Robert F. Rider, Chairman of the Board of Governors, November 14, 2002, at 1 (Rider Letter). This letter and Chairman Omas's reply are posted on the Commission's Web site.

a formal proceeding, the Commission would afford the Postal Service an opportunity to comment on the issues and further that it first be able to complete its internal review.⁵ It is anticipated that the review will be completed by early January 2003.⁶

The petition and all related correspondence are available on the Commission's Web site, <http://www.prc.gov>. On the Commission's home page, this material can be accessed by clicking on "Contents" and then either on "Docketed Cases & Matters," or on "Pending Cases & Matters." It can be found under "Other Matters," where it is listed separately.

Taking into consideration both the representations in Chairman Rider's letter and the lack of any statutorily imposed deadlines, the Commission finds it appropriate to accede to the request to defer action on the petition pending completion of the Postal Service's internal review. The brief deferral should not prejudice the petitioner. Moreover, the scope of the issues raised may be significantly clarified by the results of the Postal Service's review, which, it is indicated, will "bear substantially on the representations in the petition."⁷

Comments

In the interim, interested persons may review the petition and advise the Commission on the most appropriate way to proceed. Comments are due by no later than January 30, 2003.

Ordering Paragraphs

It is ordered:

1. Notice is hereby given of the petition of Consumer Action requesting that the Commission institute proceedings to (1) review the jurisdictional status of 14 specified services and (2) establish rules to require a full accounting of the costs and revenues of non-jurisdictional services, filed October 15, 2002.

2. Comments from interested persons concerning how the Commission should proceed with the petition are due no later than January 30, 2003.

3. The Secretary shall arrange for publication of this notice in the **Federal Register**.

Additional Note on Filing Procedure

The comment period on the joint petition coincides with a formal transition from rules of practice based on traditional hard copy filing, with an electronic filing option, to mandatory

use of the Commission's Filing Online system, which can be accessed via <http://www.prc.gov>. See Order No. 1349 in Docket No. RM2002-1 (67 FR 67552), recently-adopted 39 CFR § 3001.9. A User's Guide to the new filing system is also available on the Commission's Web site. The effective date of the switch to mandatory electronic filing is January 7, 2003. Prior to that date, those wishing to comment on the petition may file either hard copy or electronic submissions; on or after January 7, 2003, they should submit comments electronically.

By the Commission.

Issued November 21, 2002.

Steven W. Williams,

Secretary.

[FR Doc. 02-30539 Filed 12-2-02; 8:45 am]

BILLING CODE 7710-FW-P

POSTAL SERVICE

Postage Evidencing Product Submission Procedures; Correction

AGENCY: Postal Service.

ACTION: Final notice of procedures; correction.

SUMMARY: The Postal Service is correcting an error in the printing of the final product submission procedures published in the **Federal Register** November 5, 2002 (Vol. 67, No. 214, pages 67425-67430).

DATES: The procedures were effective November 5, 2002.

FOR FURTHER INFORMATION CONTACT: Wayne Wilkerson, manager, Postage Technology Management, by fax at 703-292-4050.

SUPPLEMENTARY INFORMATION: When the notice of the final Product Submission Procedures was published on November 5, 2002, several lines were inadvertently omitted from the table of Required Documentation in section 4.2 on pages 67428 to 67429. We are reprinting the final procedures here in full for reader convenience.

Product Submission Procedures for Postage Meters (Postage Evidencing Systems)

1. General Information

1.1 Independent Testing Laboratory

To receive authorization from the Postal Service to manufacture, produce, or distribute a postage meter (postage evidencing system) under 39 CFR part 501, Authorization to Manufacture and Distribute Postage Meters, the provider must obtain approval under these product submission procedures. These

⁵ Rider Letter at 2.

⁶ Ibid.

⁷ Id. at 1.

procedures also apply to providers requesting approval to manufacture, produce, or distribute a product under proposed 39 CFR part 502, Authority to Produce and Distribute Postage-Evidencing Systems that Generate Information-Based Indicia (IBI) (65 FR 58689).

The provider must select an independent testing laboratory accredited by the National Institutes of Standards and Technology (NIST) under the National Voluntary Laboratory Accreditation Program (NVLAP) to conduct the detailed product review and testing required by these procedures. When the product contains a postal security device (PSD) or cryptographic module, the laboratory must be an NVLAP-accredited cryptographic module testing laboratory.

Technical documentation (section 4) and production systems (section 5) must be provided to the selected test laboratory in sufficient detail to support testing. The testing laboratory will submit an executive summary containing the information referenced in the Required Documentation table set forth in paragraph 4.2 and the results of the product evaluation directly to the Postal Service. All supporting documentation, products, PSDs and cryptographic modules, and other materials used or generated during testing will be maintained by the testing laboratory for the life of the test. At the time of product approval, the manager, Postage Technology Management (PTM), will determine the ongoing disposition of all supporting documentation, products, PSDs and cryptographic modules, and other materials used or generated during testing.

During the product's life cycle, the provider may choose to use a different laboratory. In that event, all materials used or generated during testing and product evaluation must be transferred to the new laboratory.

Upon completion of the testing, the Postal Service may require that any or all of the following categories of information be forwarded directly from the accredited laboratory to the manager, PTM:

- (a) A copy of all information that the provider gives to the laboratory, including a summary of all information transmitted orally.
- (b) A copy of all instructions from the provider to the testing laboratory with respect to what is and what is not to be tested.
- (c) Copies of all proprietary and nonproprietary reports and

recommendations generated during the test process.

(d) Written full disclosure identifying any contribution by the test laboratory to the design, development, or ongoing maintenance of the system.

1.2 Product Submission Procedures

To submit a postage meter (postage evidencing system) for Postal Service approval, the provider will complete the following steps:

- (a) Submit a letter of intent (section 2).
- (b) Complete and sign the nondisclosure agreements (section 3).
- (c) Submit the required documentation (section 4).
- (d) Submit the postage evidencing system for evaluation (section 5).
- (e) Enable the Postal Service to review the provider's system infrastructure (section 6).
- (f) Place the product into limited distribution for field testing (section 7), after completing any additional security testing that the Postal Service requires.

1.3 Additional Security Testing

The Postal Service may choose to use resources under direct contract to the Postal Service to support the product review for additional security testing. The activities of these resources are independent of the testing laboratory selected by the provider and must be covered by nondisclosure agreements (section 3).

1.4 Product Approval Process

When the field testing (section 7) is completed successfully, the Postal Service performs an administrative review of the test and evaluation results and, when appropriate, grants authorization to distribute the product, as described in section 8.

At each stage of the product submission process, the manager, PTM, reserves the right to terminate testing if a review shows that the system as proposed will adversely impact Postal Service processes. The provider may resubmit the product after the problems have been resolved.

The provider can avoid unnecessary delays in the review and evaluation process by testing the product thoroughly prior to submitting it to the independent testing laboratory and to the Postal Service. If the Postal Service determines that there are significant deficiencies in the product or in the required supporting materials, then the Postal Service will return the submission to the provider without reviewing it further.

2. Letter of Intent

The provider must submit a letter of intent to Manager, Postage Technology Management (PTM), United States Postal Service, 1735 N. Lynn Street, Room 5011, Arlington, VA 22209-6050. The manager, PTM, will assign a point of contact to coordinate the submission and review process. The letter of intent must be dated and must include the following:

- (a) Identification (name, mailing address, e-mail address, and telephone number) of all parties involved in the proposed product, including the provider, those responsible for the product's assembly, product management, hardware/firmware/software development and testing, and any other party involved (or expected to be involved) with the design or construction of the product, including all suppliers of product components which could affect the security of Postal Service revenues.
- (b) Provider's business qualifications, including proof of financial viability and proof of the provider's ability to be responsive and responsible.
- (c) System concept narrative, including the provider's infrastructure that will support the product.
- (d) Target Postal Service market segment the proposed system is envisioned to serve.

When there is a significant change to any aspect of the product described in the letter of intent, or of the parties involved in developing or producing the product, prior to submission of the concept of operations (section 4), the provider must revise the letter of intent and resubmit it.

3. Nondisclosure Agreements

When the Postal Service uses resources under direct contract to the Postal Service to support the product review, the provider must establish a nondisclosure agreement with these resources. These nondisclosure agreements may require extension to third-party suppliers or others identified in the letter of intent (section 2). Providers are encouraged to share copies of nondisclosure agreements provided by the Postal Service with all parties identified in the letter of intent, to ensure that these parties will execute the agreement if needed to support Postal Service review of the product. Failure to sign nondisclosure agreements, provided by the Postal Service to support review activities, might adversely affect a product submission. Questions regarding this process should be directed to the manager, PTM.

4. Technical Documentation

4.1 Introduction

The provider must submit the materials listed in the Required Documentation table. If the provider considers that a given requirement is not applicable to the product, the provider should note this in the document submission. The table is not meant to be an exhaustive list of all possible areas that need to be documented to support the evaluation of a postage meter (postage evidencing system). Ongoing advances and changes in technology and new approaches to providing postage evidencing can add other components that must be considered. The provider should submit any additional information that it considers necessary or desirable to describe the product fully. The independent testing laboratory may determine the level of detail that must be submitted to meet its test and evaluation requirements. The laboratory or the Postal Service may request

additional information if needed for a complete evaluation.

Documentation must be submitted to the independent laboratory and the Postal Service as indicated in the Required Documentation table. The laboratory will prepare an executive summary and submit it to the Postal Service when required. Documentation must be in English and must be formatted for standard letter size (8.5" x 11") paper, except for engineering drawings, which must be folded to letter size. Where appropriate, documentation must be marked as "Confidential." The document recipient will determine the number of paper copies and the format of electronic copies of each document at the time of submission based on current technology and review requirements.

The provider should schedule a meeting with PTM staff shortly after or simultaneously with the submission of technical data and the concept of operations to permit full discussion and understanding of the technical concepts being presented for evaluation. The manager, PTM, will indicate Postal

Service agreement or concerns relevant to the concept, as appropriate. However, no Postal Service communication or acknowledgement of receipt of documentation or other submission is meant to imply acceptance or approval of the concept of operation, of any documentation, or of the product. Approval of the product is granted only after the product prototype has been developed and testing has been successfully completed in accordance with all requirements of these procedures.

4.2 Required Documentation

The following table details the documents that the provider must prepare. Providers are responsible for submitting any additional documentation the Postal Service may require during the product submission process. The table shows which documents must be submitted directly to the Postal Service and which must be submitted to the independent testing laboratory.

REQUIRED DOCUMENTATION

Document/section	Submit to test laboratory?	Postal Service requirement
Concept of Operations (CONOPS)		
System overview, including:	Yes	Provider submits in full. Executive summary prepared by laboratory.
<ul style="list-style-type: none"> • Concept overview and business model. 		
<ul style="list-style-type: none"> • Postal security device (PSD) implementation, features, and components, including the digital signature algorithm. 		
<ul style="list-style-type: none"> • System life cycle overview. 		
<ul style="list-style-type: none"> • Adherence to industry standards, such as FIPS PUB 140-1 or 140-2 (after May 25, 2002), as required by Postal Service 		
System design details, including:	Yes	Executive summary prepared by laboratory. Laboratory report on indicium compliance with Postal Service requirements as given in the performance criteria.
<ul style="list-style-type: none"> • PSD features and functions. 		
<ul style="list-style-type: none"> • All aspects of key management. 		
<ul style="list-style-type: none"> • Client (host) system features and functions. 		
<ul style="list-style-type: none"> • Other components required for system use including, but not limited to, the proposed indicia design and label stock. 		
Indicium Specification for Human Readable Data	No	Provider submits in full.
System life cycle, including:	Yes	Provider submits in full. Executive summary prepared by laboratory.
<ul style="list-style-type: none"> • Manufacturing 		
<ul style="list-style-type: none"> • Postal Service certification of the system. 		
<ul style="list-style-type: none"> • Production. 		
<ul style="list-style-type: none"> • Distribution. 		
<ul style="list-style-type: none"> • Meter licensing. 		
<ul style="list-style-type: none"> • Initialization. 		
<ul style="list-style-type: none"> • System authorization and installation. 		
<ul style="list-style-type: none"> • Postage value download or resetting process. 		
<ul style="list-style-type: none"> • System and support system audits. 		
<ul style="list-style-type: none"> • Inspections. 		
<ul style="list-style-type: none"> • Procedures for system withdrawal and replacement, including procedures for system malfunctions. 		
<ul style="list-style-type: none"> • Procedures to destroy scrapped systems. 		

REQUIRED DOCUMENTATION—Continued

Document/section	Submit to test laboratory?	Postal Service requirement
Finance overview, including: <ul style="list-style-type: none"> • Customer account management (payment methods, statements, and refunds). • Individual product finance account management (resetting or postage value download, refunds). • Daily account reconciliation (provider reconciliation, Postal Service detailed transaction reporting). • Periodic summaries (monthly reconciliation, other reporting as required by the Postal Service). 	Yes	Provider submits in full. Executive summary prepared by laboratory.
Interfaces, including: <ul style="list-style-type: none"> • Communications and message interfaces with the Postal Service infrastructure for resetting or postage value downloads, refunds, inspections, product audits, and lost or stolen product procedures. • Communications and message interfaces with Postal Service financial functions for resetting or postage value downloads, daily account reconciliation, and refunds. • Communications and message interfaces with customer infrastructure for cryptographic key management, product audits, and inspections. • Message error detection and handling. 	Yes	Provider submits in full. Executive summary prepared by laboratory.
Configuration management and detailed change control procedures for all components, including, but not limited to: <ul style="list-style-type: none"> • Software. • Hardware and firmware. • Indicia. • Provider infrastructure. • Postal rate change procedures. • Interfaces. 	Yes	Executive summary prepared by laboratory.
Physical security	Yes	Executive summary prepared by laboratory.
Personnel/site security	Yes	Executive summary prepared by laboratory.
Update the identification of all parties involved in the proposed product as originally submitted in accordance with the letter of intent.	No	Provider submits in full.
Software and Documentation		
Detailed design	Yes	Executive summary prepared by laboratory.
Executable code	Yes	On request.
Source code	Yes	On request.
Operations manuals	Yes	Executive summary prepared by laboratory.
Communications interfaces	Yes	Executive summary prepared by laboratory.
Maintenance manuals	Yes	Executive summary prepared by laboratory.
Schematics	Yes	Executive summary prepared by laboratory.
Product initialization procedures	Yes	Executive summary prepared by laboratory.
Finite state machine models/diagrams	Yes	Executive summary prepared by laboratory.
Block diagrams	Yes	Executive summary prepared by laboratory.
Details of security features	Yes	Executive summary prepared by laboratory.
Description of cryptographic operations, as required by FIPS PUB 140-1 or 140-2 (after May 25, 2002), Appendix A.	Yes	Executive summary prepared by laboratory.
Test Plan		
Postal Service requirements	Yes	Executive summary prepared by laboratory.
FIPS PUB 140-1 or 140-2 (after May 25, 2002) requirements	Yes	Executive summary prepared by laboratory.
Physical security of provider's Internet server, administrative site, and firewall	Yes	Executive summary prepared by laboratory.
Security for remote administrative access and configuration control	Yes	Executive summary prepared by laboratory.
Secure distribution or transmission of software and cryptographic keys	Yes	Executive summary prepared by laboratory.
Test plan for system infrastructure:	Yes	Executive summary prepared by laboratory.
• Test parameters.		
• Infrastructure systems.		
• Interfaces.		
• Reporting requirements.		
Test plan for limited-distribution field tests:	Yes	Executive summary prepared by laboratory.
• Test parameters		
• System quantities		
• Geographic location		
• Test participants		
• Test duration		
• Test milestones		
• Systems recall plan		

REQUIRED DOCUMENTATION—Continued

Document/section	Submit to test laboratory?	Postal Service requirement
Provider Infrastructure Plan		
Public key infrastructure	Yes	Executive summary prepared by laboratory.
Procedures for enforcement of all provider-related, customer-related, and Postal Service-related processes, procedures, and interfaces discussed in CONOPS or required by Postal Service regulations..	Yes	Executive summary prepared by laboratory.

5. Product Submission and Testing

5.1 General Submission Requirements

The provider must submit complete production systems to the independent testing laboratory for evaluation. The laboratory will determine how many systems are needed for a complete evaluation. The provider must also provide any equipment and consumables required to use the submitted systems in the manner described in the CONOPS. The provider must also submit complete production systems, supporting equipment, and consumables directly to the Postal Service, if requested. The Postal Service may test these for compliance with Postal Service regulations and processes under section 6, System Infrastructure Testing.

5.2 Submission Requirements for Products Containing a Postal Security Device or Cryptographic Module

The NVLAP-accredited cryptographic modules testing (CMT) laboratory must evaluate all PSDs and cryptographic modules for FIPS PUB 140-1 or 140-2 certification, or equivalent, as authorized by the Postal Service. After May 25, 2002, FIPS PUB 140-2 certification will be required. The Postal Service requires that the PSD or cryptographic module receive FIPS PUB 140-1 or 140-2 certification as it is implemented. That is, the PSD or cryptographic module and the installed application must be considered as a whole in determining whether or not it receives FIPS certification. The FIPS certification of the PSD or cryptographic module is dependent on the application. Since any certification could be in question once any noncertified or untested software is installed, the PSD or cryptographic module must be certified as it will be implemented, and the accredited CMT lab must reevaluate any changes that would risk the certification.

Upon completing FIPS PUB 140-1 or 140-2 certification, or equivalent, the CMT laboratory must forward the following documentation directly to the manager, PTM:

(a) A copy of the letter of recommendation for certification of the PSD or cryptographic module that the laboratory submitted to NIST.

(b) A copy of the certificate, if any, issued by NIST for the PSD or cryptographic module.

6. System Infrastructure Testing and Provider System Security Testing

To achieve Postal Service approval of a postage evidencing system, the provider must demonstrate that the system satisfies all applicable Postal Service regulations and reporting requirements and that it is compatible with Postal Service mail processing functions and all other functions with which the product or its users interface. The tests must involve all entities in the proposed architecture, including the postage evidencing system, the provider infrastructure, the financial institution, and Postal Service infrastructure systems and interfaces. The tests may be conducted in a laboratory environment in accordance with the test plan for system infrastructure testing. Test and approval of system infrastructure functions must be completed before the postage evidencing system can be field tested under section 7. The functions to be tested include, but are not limited to, the following:

(a) Meter licensing, including license application, license update, and license revocation.

(b) System status activity reporting.

(c) System distribution and initialization, including system authorization, system initialization, customer authorization, and system maintenance.

(d) Total system population inventory, including leased and unleased systems; new system stock; and system installation, withdrawal, and replacement.

(e) Irregularity reporting.

(f) Lost and stolen reporting.

(g) Financial transactions, including cash management, individual system financial accounting, account reconciliation, and refund management.

(h) Financial transaction reporting, including daily summary reports, daily

transaction reporting, and monthly summary reports.

(i) System initialization.

(j) Cryptographic key changes and public key management.

(k) Postal rate table changes.

(l) Print quality assurance.

(m) Device authorization.

(n) Postage evidencing system examination and inspection, including physical and remote inspections.

In addition to testing the system infrastructure, the Postal Service must be assured that the provider's support systems and infrastructure are secure and not vulnerable to security breaches. This will require site reviews of provider manufacturing, distribution, and other support facilities, and reviews of network security and system access controls.

7. Limited-Distribution Field Test

To achieve Postal Service approval of a postage evidencing system, the provider must demonstrate that the system satisfies all applicable Postal Service processing and interface requirements in a real-world environment. This is achieved by placing a limited number of systems in distribution for field testing. The Postal Service will determine the number of systems to be tested. The test will be conducted in accordance with the Postal Service-approved test plan for limited-distribution field testing. The purpose of the limited-distribution field test is to demonstrate the product's utility, security, audit and control, functionality, and compatibility with other systems, including mail entry, acceptance, and processing when in use. The field test will employ available communications and will interface with current operational systems to exercise all system functions.

The manager, PTM, will review the executive summary of the provider-proposed test plan for limited-distribution field testing. The review will be based on, but not limited to, the assessed revenue risk of the system, system impact on Postal Service operations, and requirements for Postal Service resources. Approval may be

based in whole or in part on the anticipated mail volume, mail characteristics, and mail origination and destination patterns of the proposed system. For systems designed for use by an individual meter user, product users engaged in field testing must be approved by the Postal Service before they are allowed to participate in the test. These participants must sign a nondisclosure/confidentiality agreement when reporting system security, audit and control issues, deficiencies, or failures to the provider and the Postal Service. This requirement does not apply to users of systems designed for public use.

8. Postage Evidencing System Approval

Postal Service approval of the postage meter (postage evidencing system) is based on the results of an administrative review of the materials and test results generated during the product submission and approval process. In preparation for the administrative review, the provider must update all documentation submitted in compliance with these procedures to ensure accuracy. When approval is granted, the Postal Service will prepare a product approval letter detailing the conditions under which the specific product may be manufactured, distributed, and used. The provider must submit the following materials for the Postal Service administrative review:

- (a) Materials prepared for the Postal Service by the independent testing laboratory.
- (b) The final certificate of evaluation from the NVLAP laboratory, where required.
- (c) The results of system infrastructure testing.
- (d) The results of field testing of a limited number of systems.
- (e) The results of any other Postal Service testing of the system.
- (f) The results of provider site security reviews.

9. Intellectual Property

Providers submitting postage evidencing systems to the Postal Service for approval are responsible for obtaining all intellectual property licenses that may be required to distribute their product in commerce and to allow the Postal Service to process mail bearing the indicia produced by the product.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 02-30649 Filed 12-2-02; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

- Rule 12f-1, SEC File No. 270-139, OMB Control No. 3235-0128
- Rule 12f-3, SEC File No. 270-141, OMB Control No. 3235-0249
- Rule 24b-1, SEC File No. 270-205, OMB Control No. 3235-0194

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

- Applications for permission to reinstate unlisted trading privileges
Rule 12f-1, originally adopted in 1934 pursuant to Sections 12(f) and 23(a) of the Securities Exchange Act of 1934 (the "Act") and as modified in 1995, sets forth the information which an exchange must include in an application to reinstate its ability to extend unlisted trading privileges to any security for which such unlisted trading privileges have been suspended by the Commission, pursuant to Section 12(f)(2)(A) of the Act. An application must provide the name of the issuer, the title of the security, the name of each national securities exchange, if any, on which the security is listed or admitted to unlisted trading privileges, whether transaction information concerning the security is reported in the consolidated transaction reporting system contemplated by Rule 11Aa3-1 under the Act, and any other pertinent information. Rule 12f-1 further requires a national securities exchange seeking to reinstate its ability to extend unlisted trading privileges to a security to indicate that it has provided a copy of such application to the issuer of the security, as well as to any other national securities exchange on which the security is listed or admitted to unlisted trading privileges.

The information required by Rule 12f-1 enables the Commission to make the necessary findings under the Act prior to granting applications to reinstate unlisted trading privileges. This information is also made available to members of the public who may wish

to comment upon the applications. Without the rule, the Commission would be unable to fulfill these statutory responsibilities.

There are currently eight national securities exchanges subject to Rule 12f-1. The burden of complying with Rule 12f-1 arises when a potential respondent seeks to reinstate its ability to extend unlisted trading privileges to any security for which unlisted trading privileges have been suspended by the Commission, pursuant to Section 12(f)(2)(A) of the Act. The staff estimates that each application would require approximately one hour to complete. Thus each potential respondent would incur on average one burden hour in complying with the rule.

The Commission staff estimates that there could be as many as eight responses annually and that each respondent's related cost of compliance with Rule 12f-1 would be \$53.55, or, the cost of one hour of professional work needed to complete the application. The total annual related reporting cost for all potential respondents, therefore, is \$428.40 (8 responses × \$53.55/response).

- Termination or Suspension of Unlisted Trading Privileges

Rule 12f-3, which was originally adopted in 1934 pursuant to Sections 12(f) and 23(a) of the Act, as modified in 1995, prescribes the information which must be included in applications for and notices of termination or suspension of unlisted trading privileges for a security as contemplated in Section 12(f)(4) of the Act. An application must provide, among other things, the name of the applicant; a brief statement of the applicant's interest in the question of termination or suspension of such unlisted trading privileges; the title of the security; the name of the issuer; certain information regarding the size of the class of security and its recent trading history; and a statement indicating that the applicant has provided a copy of such application to the exchange from which the suspension or termination of unlisted trading privileges are sought, and to any other exchange on which the security is listed or admitted to unlisted trading privileges.

The information required to be included in applications submitted pursuant to Rule 12f-3, is intended to provide the Commission with sufficient information to make the necessary findings under the Act to terminate or suspend by order the unlisted trading privileges granted a security on a national securities exchange. Without the rule, the Commission would be