

examination more closely to the supervisory duties of a Series 9/10 limited principal, NASD is proposing to modify the content of the examination to track the functional workflow of a Series 9/10 limited principal. Also, NASD is proposing to include questions related to parallel rules of NASD, the options exchanges, the MSRB, and the NYSE in the same section of the exam.

As a result of the revisions, NASD is proposing to modify the main section headings and the number of questions on each section of the Series 9/10 study outline as follows: Section 1—Hiring, Qualifications, and Continuing Education, 9 questions; Section 2—Supervision of Accounts and Sales Activities, 94 questions; Section 3—Conduct of Associated Persons, 14 questions; Section 4—Recordkeeping Requirements, 8 questions; Section 5—Municipal Securities Regulation, 20 questions; Section 6—Options Regulation, 55 questions. Sections 1 through 5 constitute the Series 10 portion of the examination. Section 6 constitutes the Series 9 portion of the examination. Series 10 covers general securities and municipal securities, and Series 9 covers options. The revised examination continues to cover the areas of knowledge required for the supervision of sales activities.

NASD is proposing these changes to the entire content of the Series 9/10 examination, including the selection specifications and question bank. The number of questions on the Series 9/10 examination will remain at 200, and candidates will continue to have four hours to complete the Series 10 portion and one and one-half hours to complete the Series 9 portion. Also, each question will continue to count one point, and each candidate must correctly answer 70 percent of the questions on each series, 9 and 10, to receive a passing grade.

NASD understands that the other SROs also will file with the Commission similar proposed rule changes reflecting the revisions to the Series 9/10 examination program.

2. Statutory Basis

NASD believes that the proposed revisions to the Series 9/10 examination program are consistent with the provisions of Sections 15A(b)(6)¹¹ and 15A(g)(3) of the Act,¹² which authorize NASD to prescribe standards of training, experience, and competence for persons associated with NASD members.

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

NASD 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.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act¹³ and Rule 19b-4(f)(1) thereunder,¹⁴ in that the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization. NASD proposes to implement the revised Series 9/10 examination program no later than November 30, 2005. NASD will announce the implementation date in a Notice to Members to be published no later than 60 days after Notice of this filing.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASD-2005-111 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary,

Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-NASD-2005-111. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 also will be available for inspection and copying at the principal office of the NASD. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASD-2005-111 and should be submitted on or before November 1, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52552; File No. SR-NSCC-2005-13]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Modify and Consolidate Clearing Fund Rules

October 3, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 20, 2005, the National Securities Clearing Corporation ("NSCC") filed with the Securities and

¹¹ 15 U.S.C. 78o-3(b)(6).

¹² 15 U.S.C. 78o-3(g)(3).

¹³ 15 U.S.C. 78s(b)(3)(A)(i).

¹⁴ 17 CFR 240.19b-4(f)(1).

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

NSCC is seeking to modify Procedure XV (Clearing Fund Formula and Other Matters) and make related technical changes.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Clearing Fund Formula Enhancements

NSCC's clearing fund formula consists of a number of components designed to calculate the exposure to NSCC of participants' unsettled portfolios. For CNS and Balance Order transactions, the components include a mark-to-market calculation and a volatility calculation.³

The current mark-to-market calculation includes trades that have not yet reached Settlement Date, thus excluding from the calculation trades that have reached T+3 and CNS fail positions (*i.e.*, net positions that did not settle on Settlement Date). NSCC is proposing to enhance the mark-to-market calculation by including trades that have reached Settlement Date and net CNS fail positions to more accurately cover the mark-to-market exposure of participants' unsettled portfolios in the event of an intraday insolvency of a participant. When making this calculation, NSCC may but

is not required to take into account securities that a participant has delivered to CNS in the night cycle.

The volatility component of the clearing fund formula rule provides that NSCC may exclude from volatility calculations net unsettled positions in classes of securities whose volatility is either less amenable to statistical analysis such as OTC Pink Sheet issues trading below \$5.00, or amenable to such analysis only in a complex manner such as municipal or corporate bonds. The amount of clearing fund required to satisfy the volatility component for these positions is determined as a percentage haircut (currently 2% for municipal and corporate bonds).

NSCC is proposing to enhance its volatility formula and replace the 2% haircut for corporate and municipal bonds with a fixed income volatility calculation. NSCC would continue to use a haircut for fixed income securities in circumstances it deems appropriate such as where sufficient market or security information is not available.

2. Technical Clarifications

When NSCC revised its clearing fund formula in 2001 to move to a risk-based calculation,⁴ it applied the revised formula to participants on a rolling basis. To accommodate this transition, NSCC's rules retained two versions of Addendum B (Standards of Financial Responsibility and Operational Capability) and Procedure XV: Version 1 (non-risk-based) and Version 2 (risk-based). Version 2 is currently located in Appendix 1.

With limited exception, all participants are now subject to the clearing fund provisions of Version 2 of Procedure XV and Version 2 of Addendum B. Accordingly, in order to simplify the rules and enable participants to locate provisions applicable to them more readily, NSCC proposes to restructure its Addendums, Procedures, and Rules.

As Version 1 of Procedure XV now has limited applicability, NSCC is proposing to re-designate this as proposed Version 2 of Procedure XV and move it to Appendix 1. NSCC would retain only those provisions thereof (and of Version 1 of Addendum B⁵) that remain applicable. Because the

current Version I of Procedure XV always contained a mark-to-market component, it is also being revised to include in the mark-to-market calculation trades that have reached T+3 and CNS fail positions. The current provisions of Appendix 1 (Version 2 of Procedure XV and Version 2 of Addendum B) would be moved into the body of the rules in place of current Version 1 of Procedure XV and current Version 1 of Addendum B where they would appear in numerical order.

As part of these clarifications, Rule 4 (Clearing Fund) is also being corrected to make clear that participants may request a return of any excess clearing fund on any day that NSCC has determined that the participant's Actual Deposit exceeds its Required Deposit (qualifying bonds would still be valued at their collateral value). Finally, certain technical corrections are proposed to Rule 4 and the clearing fund formula to provide consistent terminology and delete obsolete references.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁶ and the rules and regulations thereunder applicable to NSCC because it will permit NSCC to assure the safeguarding of funds and securities which are in its custody or control or for which it is responsible by allowing NSCC to more precisely identify the risks posed by a participant's unsettled portfolio and, as a result, more quickly adjust and collect additional clearing fund requirements than the current formula. As a result NSCC should be better protected from the possibility of a participant's default because the clearing fund deposits it collects should more accurately reflect NSCC's exposure.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

NSCC has not solicited or received any written comments on this proposal. NSCC will notify the Commission of any written comments it receives.

All participants remain subject to the provisions of the current Version 2 of Addendum B, which NSCC is proposing to move to the body of its rules from Appendix 1 and rename Version 1.

⁶ 15 U.S.C. 78q-1.

⁴ Securities Exchange Act Release No. 44431 (June 15, 2001), 66 FR 33280.

⁵ Both versions of Addendum B are substantially identical, with the exception of certain provisions of current Version 1 relating to the timing for calculating and collecting clearing fund. The substance of those provisions of current Version 1 of Addendum B are added as a note to the current Version 1 of Procedure XV that would be moved to Appendix 1 and would be renamed Version 2. The rest of Version 1 of Addendum B would be deleted.

² The Commission has modified the text of the summaries prepared by NSCC.

³ The other components for CNS and Balance Order activity are a CNS fail charge, a charge for market maker domination, and special charges.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five 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 ninety 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, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR–NSCC–2005–13 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–9303.

All submissions should refer to File Number SR–NSCC–2005–13. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying

at the principal office of NSCC and on NSCC's Web site at <http://www.nsc.com/legal>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR–NSCC–2005–13 and should be submitted on or before November 1, 2005.

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

Jonathan G. Katz,

Secretary.

[FR Doc. E5–5564 Filed 10–7–05; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 5203]

In the Matter of the Designation of the Moroccan Islamic Combatant Group, aka Groupe Islamique Combattant Marocain (GICM), as a Foreign Terrorist Organization Pursuant to Section 219 of the Immigration and Nationality Act

Based upon a review of the Administrative Record assembled in this matter, and in consultation with the Attorney General and the Secretary of the Treasury, the Secretary of State has concluded that there is a sufficient factual basis to find that the relevant circumstances described in section 219 of the Immigration and Nationality Act, as amended (8 U.S.C. 1189, hereinafter "INA"), exist with respect to the Moroccan Islamic Combatant Group, aka Groupe Islamique Combattant Marocain (GICM).

Therefore, effective upon date of publication in the **Federal Register**, the Secretary of State hereby designates that organization as a foreign terrorist organization pursuant to section 219(a) of the INA.

Dated: October 3, 2005.

Henry A. Crumpton,

*Coordinator for Counterterrorism,
Department of State.*

[FR Doc. 05–20341 Filed 10–7–05; 5:00 pm]

BILLING CODE 4710–10–P

⁷ CFR 200.30–3(a)(12).

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Applications of Maxjet Airways, Inc. for Certificate Authority

AGENCY: Department of Transportation.

ACTION: Notice of Order to Show Cause (Order 2005–9–26) [Docket OST–2004–17171].

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding MAXjet Airways, Inc., fit, willing, and able, and awarding it a certificate of public convenience and necessity to engage in interstate scheduled air transportation of persons, property and mail.

DATES: Persons wishing to file objections should do so no later than October 14, 2005.

ADDRESSES: Objections and answers to objections should be filed in Dockets OST–2004–17171 and addressed to U.S. Department of Transportation, Docket Operations, (M–30, Room PL–401), 400 Seventh Street, SW., Washington, DC 20590, and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Vanessa R. Balgobin, Air Carrier Fitness Division (X–56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366–9721.

Dated: September 30, 2005.

William. Bertram,

Chief, Air Carrier Fitness Division.

[FR Doc. 05–20332 Filed 10–7–05; 8:45 am]

BILLING CODE 4910–62–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Privacy Act of 1974: System of Records

AGENCY: Office of the Secretary, Department of Transportation (DOT)

ACTION: Notice to modify a system of records.

SUMMARY: DOT proposes to modify an existing system of records under the Privacy Act of 1974.

EFFECTIVE DATE: This notice will be effective, without further notice, on November 21, 2005, unless modified by a subsequent notice to incorporate comments received by the public. Comments must be received by November 10, 2005 to be assured consideration.