subscribers for public use by approximately 6:00 a.m. on the first business day after the trade. The reports will be electronically disseminated to subscribers by computer modem.³

The Service will be made available to all interested persons on equal terms. In particular, the Board will ensure that interested persons are provided access to the reports on a non-discriminatory basis and in a manner that would not confer special or unfair economic benefit to any person. The Board also will encourage and facilitate the redissemination of the reports by private information vendors so that the widest possible spectrum of market participants can be reached.

Cost and Fees. Total system development costs, hardware and software acquisition, and other start-up expenses for the Pilot Program are estimated to be \$500,000 to \$600,000. These costs include the common computer system that will be used for generating and managing the daily transaction reports as well as operation of the surveillance database. Yearly operating costs, including the costs of producing and disseminating the transaction reports and the costs of operating the surveillance database are expected to approximate \$500,000 to \$600,000. The Board estimates that it may have 20 subscribers to the Service, which would generate \$300,000 a year in revenue at the annual subscription rate of \$15,000. These revenues are expected to be sufficient to pay the entire marginal costs of operating the Service, including the cost of producing the transaction reports, and should also cover a portion of the basic data processing costs for the Pilot Program, *i.e.*, the common computer hardware and software that is needed to operate both the Service and the surveillance database. The Board believes that this Plan will produce a fair allocation of Pilot Program costs.

2. Statutory Basis

The Board believes the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which requires, in pertinent part, that the Board's rules shall:

Be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest. * * *4

The Pilot Program is designed to increase the integrity and efficiency of the municipal securities market by, among other things, helping to ensure that the price charged for an issue in the secondary market reflects all available price information about that issue. Moreover, the availability of aggregate data about market activity and certain volume and price information about municipal securities will promote investor confidence in the market and its pricing mechanisms. The Board believes that the fee for the Service is fair and reasonable in light of costs associated with compiling and disseminating the information, and that the Service is available on reasonable and non-discriminatory terms to any interested person.

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

The Board does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, since the Service will be made available to all interested persons on an equal basis and the fee will be applied equally to all persons who wish to subscribe to the Service.

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 foregoing rule change establishes or changes a due, fee, or other charge imposed by the MSRB and therefore has become effective pursuant to Section 19(b)(3)(A) of the Act,⁵ and subparagraph (e) of Rule 19b–4 thereunder.⁶ At any time within 60 days of the filing of such 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 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 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 MSRB. All submissions should refer to File No. SR-MSRB-94-18 and should be submitted by January 30, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30–3(a)(12).

Margaret H. McFarland,

Deputy Secretary

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[Release No. 34–35180; File No. SR-NASD-94–54]

Self-Regulatory Organizations; Notice of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Position and Exercise Limits for Equity Options Overlying Securities Not Subject to Standardized Options Trading

December 30, 1994.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 12, 1994, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

³A paper copy of each transaction report will be made available in the Board's Public Access Facility, located at 1640 King Street, Suite 300, Alexandria, Virginia. There will be no charge for viewing the report. Documents in the Public Access Facility can be copied at a cost of 20 cents per page plus sales tax.

⁴¹⁵ U.S.C. 78O-4(b)(2)(C) (1988).

^{5 15} U.S.C. 78s(b)(3)(A) (1988).

^{6 15} CFR 240.19b-4(e) (1994).

^{1 15} U.S.C. 78s(b)(1) (1988).