believes that the extension of the pilot program until December 31, 1995, will provide the Exchange with a better opportunity to further study the operation and effectiveness of the pilot program, and the proposed modifications to be implemented during the extension, ¹⁰ prior to either a further extension or permanent approval of the

pilot program. 11

The Commission further notes that the Exchange has represented that since the last extension of the pilot program, ¹² AUTOM has functioned properly and efficiently, that no material problems have been reported by Phlx members or AUTOM users, and that AUTOM has not had significant malfunctions or operational failures. ¹³ Finally, because the pilot program is being extended without expansion of the scope of the pilot, the Commission does not believe that the capacity of the Exchange's automated systems will be adversely effected by this extension. ¹⁴

The Commission finds good cause for approving the proposed rule change and Amendment No. 1 thereto prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register** in order to permit

1993; in connection with the last extension of the pilot program. See Exchange Act Release No. 33405, supra note 4. The Phlx has filed the required reports in connection with the current request for an extension of the pilot program. See Letter from Gerald O'Connell, First Vice President, Market Regulation and Trading Operations, Phlx, to Michael Walinskas, Branch Chief, OMS, Division, Commission, dated December 14, 1994, and letter from Jack McCarthy, Vice President, Equity Options Trading Systems, Phlx, to Michael Walinskas, Branch Chief, OMS, Division, Commission, dated December 21, 1994 ("December 21 Letter").

 $^{10}\,See\,supra$ note 5.

the Phlx to continue the AUTOM pilot program on an uninterrupted basis. Specifically, the Commission believes that the Phlx's proposal to extend the AUTOM pilot program does not raise any new issues because it merely extends the pilot program as it is currently operating. Further, the Commission continues to believe that the pilot program is beneficial to maintaining the quality and efficiency of the Phlx's market. Finally, the Commission notes that there have been no adverse comments concerning the pilot program since its implementation. Accordingly, the Commission believes that granting accelerated approval of the proposed rule change is appropriate and consistent with Sections 6 and 11A 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, 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-94-41 and should be submitted by January 30, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, ¹⁵ that the proposed rule change (SR–Phlx–94–41), as amended, is approved through December 31, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 16

Margaret H. McFarland,

Deputy Secretary.
[FR Doc. 95–384 Filed 1–6–95; 8:45 am]
BILLING CODE 8010–01–M

[Release No. 34–35188; File No. SR–Phlx–94–46]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Regarding a Post Primary Trading Session

January 3, 1995.

I. Introduction

On October 3, 1994 the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") ¹ and Rule 19b–4 thereunder, ² a proposed rule change to extend the close of trading on the Exchange's equity trading floor from 4:00 to 4:15 p.m., creating a new Post Primary Session ("PPS"). On November 25, 1994, the Phlx submitted Amendment No. 1 to the proposed rule change.³

The proposed rule change, as amended, was published for comment in Securities Exchange Act Release No. 35007 (November 25, 1994), 59 FR 61915 (December 2, 1994). No comments were received on the proposal.

Pursuant to the current Phlx Rule 101 (Hours of Business), trading in any equity security on the Exchange's equity floor ends at 4:00 p.m. The PPS, however, will extend these hours for an additional fifteen minutes. Thus, the hours of the Phlx's auction trading market will be extended from the current hours of 9:30 a.m. to 4:00 p.m. to the new hours of 9:30 a.m. to 4:15 p.m.

Under the Phlx's proposal to extend its trading hours, all Exchange rules applicable to floor trading during the Exchange's regular hours ⁴ will continue to apply to floor trading during the PPS, except that during the PPS, (1) orders that are designated "PPS" are eligible for execution, and (2) GTX orders are executable after the close of the PPS (*i.e.*, GTX orders are executable after 4:15 p.m. instead of 4:00 p.m.). In order to facilitate the extension of trading, the

¹¹ Before granting permanent approval of the pilot program, the Commission expects the Phlx to submit a full report, on or before November 1, 1995, describing the operation of AUTOM during this extension and the effect of any modifications made to AUTOM system implemented during the extension. Additionally, the Phlx's AUTOM pilot report should include: (1) a description of the benefits provided by AUTOM; (2) the degree of AUTOM usage, including the number and size of the orders routed through AUTOM and the number and size of the orders executed automatically through the AUTO-X system; (3) the system capacity of AUTOM and AUTO-X; and (4) any problems the Exchange has encountered with the routing and execution features. The Commission also requests that the Phlx submit its request for either an extension or permanent approval of the pilot program on or before November 1, 1995.

 $^{^{12}\,}See$ Exchange Act Release No. 33405, supra note 4.

¹³ Telephone conversation between Edith Hallahan, Special Counsel, Phlx, and Brad Ritter, Senior Counsel, OMS, Division, Commission, on December 29, 1994.

¹⁴The Commission expects the Phlx to immediately notify the Commission of any and all developments during this extension of the pilot program having a material effect on the capacity of the Phlx's automated systems. *See also*, December 21 Letter, *supra* note 9.

^{15 15} U.S.C. § 78s(b)(2) (1982).

^{16 17} CFR 200.30-3(a)(12) (1993).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1991).

³ See letter from Gerald D. O'Connell, Vice President, Market Surveillance, Phlx, to Glen Barrentine, Senior Counsel, Commission, dated November 23, 1994.

^{4 &}quot;Regular" hours of trading excludes the after hours trading facility for GTX orders permissible pursuant to Phlx Rule 232(c). This Rule defines a "GTX" order as one that is good until cancelled, eligible for primary market protection based on volume that prints on the New York Stock Exchange ("NYSE") or American Stock Exchange ("Amex") after-hours trading session.