

recently the Commission has approved the implementation and expansion of DRS.<sup>14</sup>

While the U.S. markets have made great progress in immobilization and dematerialization for institutional and broker-to-broker transactions, many industry representatives believe that the small percentage of securities held in certificated form (held mostly by retail investors) impose unnecessary risk and disproportionately large expense to the industry and to investors. In an attempt to help address this issue, Phlx's rule change, along with those of the NYSE, Amex, Nasdaq, NYSE Arca, BSE, and CHX, should help expand the use of DRS. As a result, risks, costs, and processing inefficiencies associated with the use of securities certificates should be reduced, and impediments to the perfection of the national market system should be removed. Additionally, those investors holding securities in listed securities certificates covered by the rule change that decide to hold their securities in DRS should realize the benefits of more accurate, quicker, and more cost-efficient transfers; faster distribution of sale proceeds; reduced number of lost or stolen certificates and a reduction in the associated certificate replacement costs; and consistency of owning in book-entry across asset classes.

The Commission realizes that some issuers and transfer agents may bear expenses related to complying with the rule change. In order to make an issue DRS-eligible, issuers of listed companies must have a transfer agent which is a DRS Limited Participants and may need to amend their corporate governing documents to permit the issuance of

PSE-95-14; SR-Phlx-95-34] (order approving rules setting forth depository eligibility requirements for issuers seeking to have their shares listed on the exchange).

<sup>14</sup> In 1996, the NYSE modified its listing criteria to permit listed companies to issue securities in book-entry form provided that the issue is included in DRS. Securities Exchange Act Release No. 37937 (November 8, 1996), 61 FR 58728 (November 18, 1996), [File No. SR-NYSE-96-29]. Similarly, the NASD modified its rule to require that if an issuer establishes a direct registration program, it must participate in an electronic link with a securities depository in order to facilitate the electronic transfer of the issue. Securities Exchange Act Release No. 39369 (November 26, 1997), 62 FR 64034 (December 3, 1997), [File No. SR-97-51]. On July 30, 2002, the Commission approved a rule change proposed by the NYSE to amend NYSE Section 501.01 of the NYSE Listed Company Manual to allow a listed company to issue securities in a dematerialized or completely immobilized form and therefore not send stock certificates to record holders provided the company's stock is issued pursuant to a dividend reinvestment program or a stock purchase plan or is included in a DRS. Securities Exchange Act Release No. 46282 (July 30, 2002), 67 FR 50972 (August 6, 2002), [File No. SR-NYSE-2001-33].

book-entry shares. The Commission believes, however, that the long-term benefits of increased efficiencies and reduced costs and risks afforded by DRS outweigh the costs that some issuers and transfer agents may incur. Furthermore, the time frames built into the proposal should allow issuers and their transfer agents sufficient time to make any necessary changes to comply with the rule change.

While the rule change should significantly reduce the number of transactions in securities for which settlement is effected by the physical delivery of securities certificates, it will not eliminate the ability of investors to obtain securities certificates provided the issuer has chosen to issue certificates. Such investors can continue to contact the issuer's transfer agent, either directly or through their broker-dealer, to obtain a securities certificate.

Accordingly, for the reasons stated above the Commission finds that the rule change is consistent with Phlx's obligation under Section 6(b) of the Act to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to perfect the mechanism of a free and open market and a national market system, and in general to protect investors and the public interest.<sup>15</sup>

#### V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of Section 6(b)(5) of the Act and the rules and regulations thereunder. *It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-Phlx-2006-69) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>16</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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<sup>15</sup> In approving the proposed rule change, the Commission considered the proposal's impact on the efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

#### SMALL BUSINESS ADMINISTRATION

##### Buffalo District Advisory Council; Notice of Federal Advisory Committee Management Meeting

The U.S. Small Business Administration Buffalo District Advisory Council located in the geographical area of Buffalo, New York, will hold a public Federal advisory meeting on Wednesday, April 18, 2007, starting at 10 a.m. EST.

The meeting will take place at the SBA Disaster Assistance Customer Service Center, located at 130 S. Elmwood Avenue, 5th Floor, Buffalo, New York.

*The purpose of the meeting is to discuss the following topics:* (1) FY 2007 Mid-year report; (2) SBA Program updates; (3) SBA's Military Reservist Economic Injury Disaster Loan (MREIDL); (4) Disaster Assistance Customer Service Center Tour and Update; (5) District Small Business Week; (6) District SBA Business Matchmaking, Awards Luncheon & Expo; (7) Roundtable Discussion on Small Business Issues.

Anyone wishing to make an oral presentation to the Board must contact Franklin J. Sciortino, District Director, Buffalo District Office, in writing by letter or fax no later than Friday, March 30, 2007, in order to be put on the agenda. Franklin J. Sciortino, District Director, Buffalo District Office, U.S. Small Business Administration, Niagara Center, 540 Niagara Center, 130 S. Elmwood Avenue, Buffalo, New York 14202; telephone (716) 551-4301 or fax (716) 551-4418.

**Matthew Teague,**

*Committee Management Officer.*

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#### DEPARTMENT OF STATE

[Public Notice 5727]

##### Formation of the United States Delegation to the World Radiocommunication Conference: Request for Expressions of Interest in Being on the United States Delegation

*Summary:* The International Telecommunication Union (ITU) World Radiocommunication Conference (WRC) will take place from October 22–November 16, 2007 in Geneva, Switzerland. As part of the preparations for the formation of the United States delegation to the World Radiocommunication Conference, the Department of State is requesting