

dealers in the administration of the Exchange, and protect investors and the public interest, consistent with Section 6(b)(5).

Section 6(b)(1) of the Act requires that an exchange be so organized and have the capacity to carry out the purposes of the Act. The Commission believes that increasing public representation on the PCX Board will also further Section 6(b)(1) of the Act by enabling the Exchange to discharge its regulatory responsibilities and fairly enforce compliance by its members with its rules, the Act and the rules thereunder.

The proposed composition of the Board also furthers Section 6(b)(1) and 6(b)(3) of the Act because it helps to ensure that each member constituency is adequately represented in the governing process of the Exchange.¹⁸ A national securities exchange has many self-regulatory functions, such as, among other things, the discipline of members. Recognizing and providing each member community with representation on the governing Board should protect the members' interests from unfair or uneven assertions of regulatory authority. Further fifty-percent public representation should ensure that the interests of one group of members will not dominate the Exchange and that investor interests will be represented on the Board.

The Commission further believes that the PCX's current application of its definition of public representative is consistent with the requirements of the Act. The current definition, which is not amended by this proposal, states that a public representative is a person who is not a broker-dealer in securities or affiliated with a broker-dealer in securities. This definition, however, permits other securities industry participants to be public governors. The Exchange stated that the recent past appointments of public representatives have usually not included persons employed in the securities industry.¹⁹ The Commission encourages the Exchange to codify this practice by amending its definition of public representatives to exclude those persons that may have an affiliation with the securities industry.²⁰

¹⁸ Each class of governors provides for a minimum of one upstairs firm and one floor member. The Exchange should consider codifying a maximum number of member representation on the Board so that no member constituency can dominate the Board.

¹⁹ Conversation between Kathryn Beck, General Counsel, Exchange, and Mandy S. Cohen, Special Counsel, Division of Market Regulation, Commission on November 23, 1999. See *supra* note 7.

²⁰ The Commission notes that the National Association of Securities Dealers ("NASD") and the

To assist in the transition to eleven public representatives of the Board, the Exchange proposes to have only 9 public governors on the Board in 2000. Two additional public governors will be nominated in 2000 who will stand for election in 2001. During 2000, these governors will attend Board meetings in a non-voting, advisory capacity. The Commission believes that this proposed change should help to ensure a smooth transition to the amended Board composition. This should provide the new public governors with exposure to the unique issues of the securities industry in general, as well as the specific issues that the PCX faces before they are expected to participate in the governance of the Exchange.

The Commission notes that the requirement to have eleven public representatives on the Board will not be fully implemented until 2001 as a result of PCX's desire to implement the change in two steps. Nevertheless, the Exchange is required, pursuant to its Constitution, to ensure that there are eleven public governors on its Board beginning in the year 2001. The Commission therefore expects PCX to have fifty-percent public representation on its Board as of 2001.

In summary, for the reasons discussed above, the Commission believes that the change to fifty-percent public governors should further improve oversight of the Exchange, which should benefit all investors. The Commission continues to urge the PCX to codify its application of the definition of public governor.

The Commission finds good cause to accelerate approval of the proposed rule change as amended prior to the thirtieth day after publication in the **Federal Register**. The Commission believes that the proposed rule change provides significant benefits to investors and the members of the Exchange, as discussed above. By increasing the number of public governors on the PCX Board, the PCX should be governed by a more balanced corporate body.

The Commission notes that the PCX is required to begin its election process for the 2000 election to be held during the annual meeting in January. The Commission believes that it is in the public interest to have the first phase of the staggered implementation of the proposed changes in place for the next election. Further, since the first phase of

Chicago Stock Exchange ("CHX") currently classify their board members as industry/member, non-industry—which would be comparable to the PCX definition of public, and public—which is defined as persons that have no material business relationship with a broker or dealer or the Association or the Exchange, as the case may be. See NASD By-laws Article I; CHX Constitution, Sections 2 and 10.

the implementation has a direct correlation to the full implementation of the proposed rule change by 2001, the Commission believes that it is in the public interest to approve the entire proposed rule change on an accelerated basis. The two non-voting advisory public governors will be nominated in 2000 and will then stand for election to the 2001 Board. Therefore, the Commission believes that good cause exists, consistent with Sections 6(b)(1), (b)(3), and (b)(5)²¹ and 19(b)²² of the Act, to approve the proposed rule change, as amended, on an accelerated basis.

V. Conclusion

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act²³ that the proposed rule change, as amended, (SR-PCX-99-33) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁴

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-33176 Filed 12-21-99; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Statement of Organization, Functions and Delegations of Authority

This statement amends part T of the Statement of the Organization, Functions and Delegations of Authority which covers the Social Security Administration (SSA). Chapter TA covers the Office of the Deputy Commissioner for Disability and Income Security Programs. Notice is hereby given that Subchapter TAH, Office of Hearings and Appeals, is being amended to reflect changes in the organization designations in the Office of Hearings and Appeals, Office of Policy, Planning and Evaluation and functional responsibilities in the Office of Hearings and Appeals, Special Counsel Staff. The changes are as follows: Section TAH.10 *The Office of Hearings and Appeals—(Organization)*:

G. The Office of Policy, Planning and Evaluation (TAHC). Delete:

1. Division of Litigation Analysis and Implementation (TAHC1).

Renumber:
"2" to "1" and "3" to "2".

Section TAH.20 *The Office of Hearings and Appeals—(Functions)*:

²¹ 15 U.S.C. 78f(b)(1); 15 U.S.C. 78f(b)(93); 15 U.S.C. 78f(b)(5).

²² 15 U.S.C. 78s.

²³ 15 U.S.C. 78s(b)(2).

²⁴ 17 CFR 200.30-3(a)(12).

C. The immediate Office of the Associate Commissioner for Hearings and Appeals (TAH).

2. The Special Counsel Staff (TAH-2). Amend as follows:

The Special Counsel Staff (SCS) (TAH-2) consists of attorneys and appropriate support staff. The attorneys serve as professional advisors to the Associate Commissioner for Hearings and Appeals, and to other members of the Office of Hearings and Appeals (OHA) Executive Staff on matters pertaining to the legislative process; labor and employee relations; ethics; and administrative procedures, with special emphasis on administrative issues raised by the Administrative Procedure Act (APA), Freedom of Information Act and Privacy Act. SCS, in consultation with the Office of General Counsel (OGC), evaluates any potential disciplinary action involving Administrative Law Judges (ALJs). This responsibility includes interviewing all witnesses and compiling and weighing other evidence and recommending a course of action to the Associate Commissioner for Hearings and Appeals. Based on the SCS recommendation, the Associate Commissioner for Hearings and Appeals will decide the appropriate action and undertake action administratively, or if warranted, direct the filing of a complaint against an ALJ with the Merit Systems Protection Board (MSPB). The SCS assists OGC in trying administrative disciplinary proceedings against ALJs before the MSPB. The SCS also functions as agency representative in actions against attorney and non-attorney representatives of claimants before Social Security Administration (SSA) ALJs and the Appeals Council. SCS will investigate potential violations of the law and regulations governing the qualifications and conduct of such representatives. SCS will present its recommendations to the Deputy Commissioner for Disability and Income Security Programs (DCDISP). If the DCDISP agrees with the recommendation, SCS will present such matters in administrative hearings conducted by ALJs selected by the Associate Commissioner for Hearings and Appeals. SCS is responsible for any appeals on such cases taken to the Appeals Council. Conducts or coordinates investigations of allegations of misconduct, waste, fraud or abuse by OHA headquarters and field employees. Maintains records of, provides advice on the handling of and, upon request, investigates allegations of bias or misconduct against ALJs. Serves as liaison with the Office of Inspector General in matters of a criminal nature.

Reviews regulations and procedures for conformity to SSA/OHA policy and provides recommendations for modifications of prospective legislation which could adversely affect the hearings and appeals process. When requested, represents OHA as liaison with the Congress, American Bar Association, and other governmental and private organizations, with special emphasis on pending, proposed, and prospective legislation pertaining to the APA. Develops, in conjunction with other OHA components, a recommended appeals strategy that identifies the issues and types of cases which OHA believes should be appealed. With OGC clearance, develops and maintains a compendium of circuit court case law and court trend data, with systems-based access. Tracks pending class actions and makes recommendations regarding potential workload impact. Advises OHA officials of significant cases and trends and of litigation issues which may require revision of operating instructions, and assists with the preparation of the instructions. Coordinates OHA's views on proposed Social Security Acquiescence Rulings. In response to OHA-identified cases and to requests for appeal recommendations, obtains the views of affected OHA components and formulates an OHA position regarding the viability of an appeal. Acts as liaison with the Department of Health and Human Services' Departmental Appeals Board and SSA OGC and Litigation Staff, Office of the Deputy Commissioner for Disability and Income Security Programs (ODCDISP), to coordinate OHA's involvement in class action litigation, settlements and implementation; and when requested, with other governmental agencies. In coordination with other OHA components, develops instructions for OHA implementation of class action orders, monitors implementation and serves as a focal point for questions from OHA adjudicators. Responds to requests from OGC and ODCDISP regarding information about OHA operations requested in the course of litigation and drafts affidavits and declarations to be signed by OHA officials. Coordinates OHA's response to discovery requests.

G. The Office of Policy, Planning and Evaluation (TAHC).

Amend first sentence as follows:

The Office of Policy, Planning and Evaluation (TAHC) plans, analyzes and develops OHA-wide policy for the hearings and appeals process.

Delete last two sentences.

Add as last sentence:

Administers and coordinates the Freedom of Information Act and Privacy Act provisions for OHA.

Delete:

1. Division of Litigation Analysis and Implementation (TAHC).

Renumber:

"2" to "1" and "3" to "2".

Dated: December 14, 1999.

Paul D. Barnes,

Deputy Commissioner for Human Resources.

[FR Doc. 99-33132 Filed 12-21-99; 8:45 am]

BILLING CODE 4191-02-U

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD8-99-067]

Houston/Galveston Navigation Safety Advisory Committee Meeting

AGENCY: Coast Guard, DOT.

ACTION: Notice of meetings.

SUMMARY: The Houston/Galveston Navigation Safety Advisory Committee (HOGANSAC) and its two Subcommittees (Waterways and Navigation) will meet to discuss waterway improvements, aids to navigation, current meters, and various other navigation safety matters affecting the Houston/Galveston area. All meetings will be open to the public.

DATES: The next meeting of HOGANSAC will be held on Friday, January 28, 2000 from 9 a.m. to approximately 1 p.m. The meeting of the Navigation Subcommittee will be held on Thursday, January 13, 2000 at 9 a.m. and immediately following, the Waterways Subcommittee will meet. The meetings may adjourn early if all business is finished. Members of the public may present written or oral statements at the meetings.

ADDRESSES: The HOGANSAC meeting will be held in the conference room of the Houston Pilots' Office, 8150 South Loop East, Houston, Texas. The subcommittee meetings will be held at the Houston Port Authority, 111 East Loop South, Houston, Texas.

FOR FURTHER INFORMATION CONTACT: Captain Wayne Gusman, Executive Director of HOGANSAC, telephone (713) 671-5199, or Commander Peter Simons, Executive Secretary of HOGANSAC, telephone (713) 671-5164.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given pursuant to the Federal Advisory Committee Act, 5 U.S.C. App. 2.