

proposes to increase from \$750 million to \$1 billion the aggregate amount of this type of Short-Term Debt it may have outstanding at any one time. Further, Alliant Energy requests the Commission to authorize the use of proceeds from the Short-Term Debt to fund the Utility Money Pool in an aggregate principal amount outstanding at any one time that will not exceed \$475 million in 2001 and \$525 million for the remainder of the Authorization Period. Alliant Energy also requests that the Commission eliminate the separate \$300 million limitation on the use of Short-Term Debt proceeds to make interim investments in EWGs and FUCOs.³ Finally, IES and IPC propose, through the Authorization Period, to borrow from Alliant Energy and each other, and to lend to each other, all under the Utility Money Pool, in outstanding principal amounts of up to \$150 million for IES and \$100 million for IPC.⁴

The Applicants state that all other terms, conditions, limitations and reporting obligations contained in the Financing Order will apply to the proposed transactions. Services will continue to administer the Utility and Nonutility Money Pools under the existing terms of the money pool agreements, as previously approved by the Commission.

For the Commission by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-24349 Filed 9-21-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of September 25, 2000.

Closed meetings will be held on Wednesday, September 27, 2000 at 11:00 a.m. and Thursday, September 28, 2000 at 3:00 p.m. An open meeting will be held on Thursday, September 28, 2000 at 2:00 p.m. in Room 1C30.

³ Alliant Energy represents that all EWG and FUCO investments will comply with rule 53(a) under the Act.

⁴ Alliant Energy's other utility subsidiary, Wisconsin Power & Light Company and Services are members of the Utility Money Pool, but their borrowings are exempt from Commission review under rules 52 (a) and (b), respectively.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meetings. Certain staff member who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(A) and (10), permit consideration for the scheduled matters at the closed meeting.

The subject matters of the closed meeting scheduled Wednesday, September 27, 2000 will be:

Institution and settlement of injunctive actions; and

Institution and settlement of administrative proceedings and enforcement nature.

The subject matter of the open meeting scheduled for Thursday, September 28, 2000 will be:

The Commission will hear oral argument on an appeal by the Division of Enforcement and the Office of the Chief Accountant from an initial decision of an administrative law judge in the matter of KPMG Peat Marwick LLP ("Peat Marwick").

This case involves allegations that certain circumstances impaired Peat Marwick's independence from an audit client, Porta Systems Corp. ("PORTA"). The law judge found that only one of these circumstances—Peat Marwick's loan to PORTA's president—impaired Peat Marwick's independence. Because generally accepted auditing standards (GAAS) require that auditors be independent from audit clients, the law judge concluded that Peat Marwick violated the requirement in Rule 2-02 of Regulation S-X that an accountant's report accurately "state whether the audit was made in accordance" with GAAS. The law judge also concluded that, because Peat Marwick was not independent at the time it certified financial statements filed by PORTA as part of its 1995 annual report, Peat Marwick caused PORTA to violate Section 13(a) of the Securities Exchange Act of 1934 and Rule 13a-1 thereunder. The law judge did not conclude, however, that Peat Marwick had engaged in improper professional conduct within the meaning of Rule 102(e) of the Commission's Rules of Practice. The law judge dismissed the proceeding insofar as it alleged that Peat Marwick engaged in improper professional conduct under Rule 102(e) and denied the Division's request for entry of a cease and desist order against Peat Marwick under Section 21C of the Exchange Act.

Among the issues likely to be argued are the following:

1. Whether Peat Marwick's loan to PORTA's president was the only independence impairing circumstance involved in this case;

2. Whether Peat Marwick acted recklessly with respect to any independence impairing circumstances involved in this case; and

3. Whether, and what, sanctions are appropriate remedies in this case.

For further information, contact Rada L. Potts at (202) 942-0961.

The subject matter of the closed meeting scheduled for Thursday, September 28, 2000 will be:

Post argument discussion

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: September 20, 2000.

Jonathan G. Katz,
Secretary.

[FR Doc. 00-24590 Filed 9-20-00; 3:48 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43284; File No. SR-Amex-00-07]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the American Stock Exchange LLC Relating to the Amendment of Rule 126 on a Pilot Program Basis

September 12, 2000.

I. Introduction

On February 3, 2000, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² a proposed rule change to implement a six month pilot program for processing electronically transmitted orders for equities traded on the Exchange ("eQPRIORITYsm"). The proposed rule change was published for comment in the **Federal Register** on June 7, 2000.³ No comments were received on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 42834 (May 26, 2000), 65 FR 36183 (June 7, 2000).

proposal. This order approves the proposed rule change.

II. Description of the Proposal

The proposed rule change would add a new Commentary .03 to Amex Rule 126, which governs the precedence of bids and offers. The Exchange states that proposed Commentary .03 is intended to assure investors who send electronic orders to the Exchange that their orders will be filled at either: the Amex Published Quote ("APQ")⁴ at the time the specialist announces the order, up to the depth of the quote; or at an improved price. The Exchange believes that this will encourage investors and order flow providers to send orders to the Amex.

Proposed Commentary .03 specifically applies to the handling of round lot, regular way orders for common stock sent to the Exchange electronically, at all times other than openings, reopenings, or instances where a block is sold at a "clean up" price. The commentary specifies that when a specialist's order book receives the electronic order, the specialist shall announce the order to the crowd, and the order will establish priority with respect to all other bids and offers. Upon that announcement, members whose bids or offers are incorporated into the APQ may not withdraw or modify those bids and offers except to provide price improvement to the electronic order. Once the specialist announces the order, the specialist and members of the crowd will have a brief opportunity to provide price improvement. If the electronic order is filled in part at an improved price, that sale would not remove bids and offers, and the incoming order retains priority over other bids and offers up to the full size APO (less any interest that provided price improvement). If the incoming order is larger than the size displayed in the APQ, the unfilled portion will be handled according to the customary auction market procedures.

The Exchange states that it believes eQPrioritysm will provide investors with the optimal combination of price improvement possibilities with speed and certainty of execution. The Exchange also notes that the proposed eQPrioritysm program is not limited to institutional size orders. The program

will only apply to the common stock of business corporations admitted to dealings, because the Exchange believes that it would be inappropriate to apply the program to options and equity derivatives as the Amex is not the price discovery market for those securities and the value of the underlying instruments may change very-rapidly.

The Exchange also states that the program should not apply to openings and reopenings because openings involve a balancing of supply and demand to reach a consensus price that, by definition, is the best execution. Moreover, the program will not apply to "clean-up" sales of blocks because the Exchange believes that the current procedure for affecting a clean-up sale at a single price outside the APQ is fairest to all parties.

The Exchange's current auction market rules do not guarantee that an incoming electronic order will interact against the APQ. For example, when an electronic order arrives on the Exchange, the specialist in the security will announce a crossing market in an attempt to provide price improvement to the order. Although that procedure gives floor brokers an opportunity to execute the electronic order at an improved price, the procedure may also permit a floor broker to trade against the APQ despite the presence of the electronic order. Moreover, if an electronic order is filled in part at an improved price, current practice potentially allows floor brokers to interact with the APQ on parity with the unfilled remainder of the electronic order. The Amex believes that Commentary .03 addresses the perception that trading may occur in that manner when an electronic order arrives on the floor of the Exchange.⁵

III. Discussion

The Commission finds that proposed rule change is consistent with section 6(b)(5) of the Act.⁶ Section 6(b)(5) requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove the impediments to and perfect the mechanism of a free and open market and a national market system, and, in

general, to protect investors and the public interest.

The Commission specifically finds that the proposed rule change would modify the Exchange's existing auction market rules in a way that should help assure that electronic orders sent to the Exchange from off the Amex floor will have an improved opportunity to interact with the published Amex quote. In particular, the Commission finds that the proposed rule change will help prevent two scenarios under which the Exchange's existing auction market rules may not always permit electronic orders an ideal opportunity to interact with the Amex quote: a scenario in which on-floor traders could trade against the Amex quote while the specialist is attempting to obtain price improvement for the electronic order, and a scenario in which the execution of part of an electronic order could put floor interest on parity with the remainder of the electronic order. The Commission finds that the proposed rule change should provide greater assurance that electronic orders sent to the Amex floor will have the opportunity to interact with the Amex quote, without having to make any findings about whether either of those practices currently occurs on the Amex floor.

The Commission further finds that the proposed rule change contains reasonable exceptions for openings and reopenings and for blocks sold at cleanup price, because the proposed priority rules are not needed in those circumstances. Moreover, the Commission also finds that it is reasonable for Amex to continue to apply its existing auction market procedures to those portions of an electronic order that are larger than the Amex quote.

Finally, the Commission finds that it is reasonable for the Exchange to implement this proposal for a six month pilot period, to permit the Exchange to assess the costs and the benefits of the program. Continuation of this program beyond that six month period would require the Exchange to file another proposed rule change.⁷

⁷ The Commission expects that the Exchange will monitor the effect of the proposed rule change on trading behavior on Amex, paying particular attention to its effect on stocks that are traded in a decimal environment, and convey those results to the Commission before the pilot period ends. Among other things, the Exchange should examine whether the rule change affects the ability of electronic orders to interact with the APQ, and whether the rule change affects limit order execution on Amex.

⁴ The Amex states that the APQ is the best bid or offer that Amex conveys to the Consolidated Quotation System. Conversation between Bill Floyd-Jones, Assistant General Counsel, Arne Michelson, Senior Vice President, Laurence McDonald, Managing Director, Lauren Brophy, Vice President, Amex, and Joshua Kans, Special Counsel, Division of Market Regulation ("Division"), Commission, April 5, 2000.

⁵ Conversations between Bill Floyd-Jones, Assistant General Counsel, Arne Michelson, Senior Vice President, Laurence McDonald, Managing Director, Lauren Brophy, Vice President, Amex, and Joshua Kans, Special Counsel, Division of Market Regulation, Commission, March 31, 2000 and April 5, 2000.

⁶ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f)

It is Therefore Ordered, pursuant to section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-Amex-00-07) is hereby approved until March 12, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-24350 Filed 9-21-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43298; File No. SR-ISE-00-06]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the International Securities Exchange LLC, Relating to Equipment Rental Fees and Annual Access Fee

September 15, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 3, 2000, the International Securities Exchange LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The ISE proposes to adopt monthly rental fees for computer equipment that ISE supplies to its members. The ISE also is clarifying that it applies its existing annual access fee for competitive and primary market makers on a per membership basis.

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

In its filing with the Commission, the ISE 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. The ISE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the rule change is to adopt a monthly rental fee for computer equipment ISE supplies to members that enables members to communicate with the Exchange. The Exchange is adopting a monthly fee of \$1,400 for members that receive a cabinet (consisting of various components) and \$200 for members that only receive a router from the Exchange. These fees will be used to cover the costs of the equipment to the Exchange.

The ISE also is clarifying that the annual access fee for primary and competitive market makers currently contained in its fee schedule is applied on a per-membership basis. In the case where a single member firm has multiple ISE memberships, the annual access fee is charged for each membership. For example, if a single member firm is both an electronic access member and a competitive market maker, the firm is subject to the annual access fee for both memberships. Also, if a firm owns multiple market maker memberships, it is subject to an annual access fee for each of those memberships.

2. Statutory Basis

The ISE believes that the proposed rule change is consistent with section 6(b) of the Act,³ in general, and furthers the objectives of section 6(b)(4) of the Act,⁴ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among ISE members and other persons using its facilities.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to section 19(b)(3)(A)(ii) of the Act⁵ and subparagraph (f)(2) of Rule 19b-4 thereunder.⁶ 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 Exchange. All submissions should refer to the File No. SR-ISE-00-06 and should be submitted by October 13, 2000.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-24351 Filed 9-21-00; 8:45 am]

BILLING CODE 8010-01-M

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(f)(2). At the Exchange's request, the inadvertent citation to paragraph (e) of Rule 19b-4 in the filing originally received by the Commission on August 3, 2000, has been changed to the correct citation—paragraph (f)(2). Telephone conversation between Katherine Simmons, Vice President and Associate General Counsel, ISE, and Geoffrey Pemble, Attorney, Division of Market Regulation, Commission, on September 15, 2000.

⁷ 240 CFR 200.30-3(a)(12).

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).