

and (6) of section 552b of Title 5, United States Code.

1. *Date:* February 1, 2001.

Time: 9:00 a.m. to 5:00 p.m.

Room: 415.

Program: This meeting will review applications for Library and Archival Preservation and Access/Reference Materials, submitted to the Division of Preservation and Access at the January 5, 2001 deadline.

Laura S. Nelson,

Advisory Committee Management Officer.

[FR Doc. 01-2404 Filed 1-25-01; 8:45 am]

BILLING CODE 7536-01-M

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-361 and 50-362]

Southern California Edison Company, San Onofre Nuclear Generating Station, Units 2 and 3; Notice of Withdrawal of Application for Amendments to Facility Operating Licenses

The U.S. Nuclear Regulatory Commission (the Commission) has granted the request of Southern California Edison (licensee) to withdraw its January 19, 2000, application, for proposed amendments to Facility Operating Licenses No. NPF-10 and NPF-15 for the San Onofre Nuclear Generating Station, Units 2 and 3 respectively, located in San Diego County, California.

The proposed amendments would have modified facility Technical Specification Surveillance Requirement 3.0.3.

The Commission had previously issued a Notice of Consideration of Issuance of Amendment published in the **Federal Register** on April 19, 2000 (65 FR 21038). However, by letter dated January 4, 2001, the licensee withdrew the proposed change.

For further details with respect to this action, see the application for amendments dated January 19, 2000, and the licensee's letter dated January 4, 2001, which withdrew the application for license amendments. These documents may be examined, and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the ADAMS Public Library component on the NRC Web site (the Electronic Reading Room).

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland, this 18th day of January, 2001.

L. Raghavan,

Senior Project Manager, Section 2, Project Directorate IV & Decommissioning, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 01-2373 Filed 1-25-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43859; File No. SR-NYSE-00-62]

Self-Regulatory Organizations; Notice of Filing Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Specialists' Specialty Stock Option Transactions

January 18, 2001

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 December 22, 2000, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 Exchange proposes to amend paragraph (l) of the Guidelines to NYSE Rule 105 and paragraph (a) of NYSE Rule 98. These proposed amendments permit an NYSE Rule 98 approved person of a specialist to act as competitive market maker or perform other similar non-primary/supplemental market-making activities in any option as to which the underlying security is a stock in which the related specialist is registered.

Below is the text of the proposed rule change. Proposed new language is *italicized* and proposed deletions are in brackets.

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Rule 105. Specialists' Interest in Pools and Options

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Guidelines for Specialists' Specialty Stock Options Transactions Pursuant to Rule 105 (a) Through (k)—No change

* * * * *

(l) Specialist Shall Not Be Options Market-Maker

Except as provided below, [N]no equity specialist, his member organization, other member, allied member or approved person in such member organization or officer or employee thereof shall act as an options market-maker or option specialist, or function in any capacity involving market-making responsibilities, in any option as to which the underlying security is a stock in which the specialist is registered as such.

Notwithstanding the above, an approved person is so acting as an options market maker pursuant to this paragraph, neither that approved person of an equity specialist entitled to an exemption from this rule under Rule 98 may act as a competitive market maker, competitive options trader, registered options trader, or in a similar non-primary market-making capacity in any option as to which the underlying security is a stock in which the associated specialist is registered as such; provided, however, that if an approved person is so acting as an options market maker pursuant to this paragraph, neither that approved person, nor any other approved person of the specialist, may act as a market maker in any equity security in which the associated specialist is registered as such and which underlies an option as to which the approved person acts as an options market maker.³

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Rule 98. Restrictions on Approved Person Associated With a Specialists' Member Organization

(a) So long as paragraph (b) of this Rule is complied with, (i) each specialist within a member organization that is associated with an approved person shall be exempt from the provisions of Rule 104 and 104.13 as they relate to such approved person, and (ii) the approved person that is associated with such member organization shall be exempt from (A) the restrictions on trading in specialty stock options as provided by Rule 105 and on acting as an options market maker as provided in paragraph (l) of the Rule 105 Guidelines, (B) the

³ Minor technical corrections have been made to the rule text. The NYSE will file an amendment indicating these changes to the rule text. Telephone conversation between Jeff Rosenstock, Esquire, Senior Project Specialist, Rule Development, NYSE, and Sapna C. Patel, Attorney, Division of Market Regulation, Commission, on January 16, 2001.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

provisions of Rule 113(a) and the prohibition against "popularizing" as provided by Rule 113.20, provided, that the disclosures specified in that Rule are made, and (C) the provisions of Rule 460, except as specified therein.

(b) In order to obtain the exemptions referred to in paragraph (a) above, the approved person and the specialist member organization with which such approved person is to be associated shall be required to obtain the prior written agreement of the Exchange that such approved person and such member organization are in compliance with the "Guidelines for Approved Persons Associated with a Specialist's Member Organization" as promulgated by the Exchange and as may be amended from time to time.

(c) Whenever the approved person controls, is controlled by, or is under common control with, a person, other than the member organization with which it is associated, the exemptions provided in paragraph (a) above shall be available only so long as the approved person and its associated member organization have satisfied the Exchange that the relationship between the approved person, the member organization and such other person satisfies all of the conditions specified in the "Guidelines."

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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 Exchange 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 Exchange 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

Currently, paragraph (l) of the Guidelines to NYSE Rule 105 prohibits Exchange specialists and approved persons of an Exchange specialist from acting as an options market maker or options specialist, or from functioning in any capacity involving market-making responsibilities in any option as to which the underlying security is a stock in which the specialist is

registered. This prohibition applies to all approved persons of specialists, including those who are otherwise exempt from specific specialist rules pursuant to NYSE Rule 98.

The prohibitions were intended to address potential conflict-of-interest concerns raised by the possibility of side-by-side stock and options trading by a specialist and a specialist affiliate. The prohibitions were adopted in the early 1980s when options were not listed and traded on more than one exchange as they are today.⁴

The Exchange therefore proposes to amend paragraph (l) of the NYSE Rule 105 Guidelines and paragraph (a) of NYSE Rule 98 to permit NYSE Rule 98 approved persons of specialists to act as non-primary options market makers in options overlying securities in which an affiliated specialist is registered.

NYSE Rule 98 Approved Person

Under Exchange rules, a person or entity entering into any type of control relationship with a member organization may be deemed to be an approved person of the member organization.⁵ The term "approved person" refers to an individual or entity that controls a member organization, or is engaged in the securities business and is either controlled by or is under common control with a member organization. Approved persons of specialist member organizations are subject to a number of Exchange rules (including NYSE Rule 105) that place restrictions on their ability to trade in the specialty stocks of the related specialist. NYSE Rule 98 provides exemptive relief for an approved person associated with a specialist's member organization that complies with the NYSE Rule 98 implementing guidelines.

Paragraph (a) of NYSE Rule 98 is proposed to be amended to permit an NYSE Rule 98 approved person to act in a non-primary market-making capacity in an option overlying a security in which an associated specialist is registered.⁶ In order to meet the test for an NYSE Rule 98 approved person and obtain exemptive relief, an approved person and an associated specialist organization must submit a written

statement to the Exchange describing the internal controls they intend to adopt for the establishment of procedures sufficient to restrict the flow of privileged information between the approved person and the associated specialist organization. The procedures are intended to preclude the possibility that privileged information will be made available to be used in any way to influence a particular trading decision by a specialist in the associated specialist organization, or vice versa. These internal control and procedures would apply in situations where an NYSE Rule 98 approved person intended to act as a non-primary market maker in an option.

Proposed Changes to Paragraph (l) of NYSE Rule 105 Guidelines

The Exchange proposes to amend paragraph (l) of the NYSE Rule 105 Guidelines to permit an NYSE Rule 98 approved person of a specialist to act as a competitive market maker or perform other similar non-primary/supplemental market-making activities in any option as to which the underlying security is a stock in which the related specialist is registered. The prohibition on acting as a primary market maker would be retained.

The difference in treatment between primary market makers and competitive (or non-primary) market makers stems from their differing obligations on the options exchanges. On the various options exchanges, primary market makers ("PMMs"), also called Designated Primary Market Makers ("DPMs"), Lead Market Makers ("LMMs"), and Registered Equity Market Makers, similar to specialists on the Exchange, are market makers with significant responsibilities, including overseeing the opening and closing of trading in option classes, and providing continuous, two-sided quotations in all of their assigned stock options. Competitive Market Makers ("CMMs"), also called competitive options traders, registered options traders and non-primary market makers, are market makers who quote independently and add depth and liquidity to the market, but do not have the primary responsibility to maintain a fair and orderly market.

The Exchange believes that potential conflicts of interest with respect to stock and options trading are somewhat less significant with respect to supplemental, as opposed to primary, options market-making, and in any event the Exchange believes that they are effectively addressed by NYSE Rule 98's requirement that material market information be kept strictly segregated.

⁴ See Securities Exchange Act Release No. 21710 (February 4, 1985), 50 FR 5708 (February 11, 1985) (approving SR-NYSE-82-2).

⁵ NYSE Rule 2 defines control as the power to direct or cause the direction of the management or policies of a person whether through ownership of securities, by contract or otherwise. A presumption of control is made in certain circumstances outlined in the rule.

⁶ The distinction between primary and non-primary market makers for purposes of the proposed rule change is described more fully below.

The Exchange also proposes to amend paragraph (l) of the NYSE Rule 105 Guidelines by adding the following additional restriction: if an NYSE Rule 98 approved person is acting as an options market maker in an option overlying a specialty stock, neither it, nor any other approved person of the specialist, may act as a market maker in any specialty stock underlying an option as to which the NYSE Rule 98 approved person acts as an options market maker. The Exchange believes that this restriction will ensure that market information gleaned from the options market is not used to gain trading advantages by approved persons of the specialist in other equity markets. The potential for manipulative activity resulting from the market maker's unique informational advantage of seeing "the book" of both a stock and its underlying option should be substantially lessened; the proposed additional restriction would prevent a non-primary market maker in the options market from relaying information obtained on the floor (due to time and place advantage) to an approved person of the specialist who trades the stock underlying the option on a regional exchange or in another market.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular, because it is designed to promote just and equitable principles of trade, to remove 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.

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

The Exchange believes that the proposed fee change will not impose any burden on competition that is not necessary or appropriate in the furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing of Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

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 submission 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 in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR-NYSE-00-62 and should be submitted by February 16, 2001.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-2379 Filed 1-25-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43864; International Series Release No. 1245; File No. SR-Phlx-01-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Amend Rule 1063(a) and Options Floor Procedure Advices A-10 and C-1, Relating to Trading in Foreign Currency Options

January 19, 2001.

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 January 11, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx") 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 Phlx. 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 Phlx proposes to amend Phlx Rule 1063(a), Phlx Options Floor Procedure Advice A-10, and Phlx Options Floor Procedure Advice C-1. The proposed amendments would provide an exception, limited only to foreign currency options ("FCOs"), from the requirement that a Registered Options Trader ("ROT") be present at the trading post in certain circumstances. The proposal would also make certain non-substantive stylistic changes to Floor Procedure Advices A-10 and C-1. The text of the proposed rule change is available at the principal offices of the Phlx and at the Commission.

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 Phlx included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it had received on the proposal. The text of these statements may be examined at the places specified in Item IV below. The Phlx has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 17 CFR 200.30-2(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.