

publishes its reasons for so finding or (ii) as to which the self-regulatory organization 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.

## V. 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, N.W., Washington, D.C. 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 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 NASD. All submissions should refer to the file number in the caption above and should be submitted by May 12, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>26</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 97-10223 Filed 4-18-97; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38507; File No. SR-PHLX-97-13]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Amend the Exchange's Rule Concerning the Pre-Opening Application of the Intermarket Trading System

April 14, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 19, 1997, the Philadelphia Stock Exchange, Inc. ("PHLX" 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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.<sup>1</sup>

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

The PHLX proposes to amend Phlx Rule 2001, Intermarket Trading System ("ITS"), to enhance the operation of the Pre-Opening Application by effectively including circuit breakers as a trading halt situation that will trigger the Pre-Opening Application. The proposed rule change will also reorganize and update Rule 2001 to make it conform more closely to the Pre-Opening Application rules of other exchanges and to the model Pre-Opening Application Rule attached as Exhibit A to the ITS Plan.<sup>2</sup>

### 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 received on the proposed rule change. 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.

<sup>1</sup> The Commission notes that the other ITS Participants (the American Stock Exchange, Boston Stock Exchange, Chicago Board Options Exchange, Chicago Stock Exchange, Cincinnati Stock Exchange, National Association of Securities Dealers, New York Stock Exchange, Pacific Stock Exchange) have filed essentially the same proposals to amend each of their rules concerning the Pre-Opening Application. See Securities Exchange Act Release Nos. 38285 (February 13, 1997), 62 FR 8065 (February 21, 1997) and 38393 (March 12, 1997), 62 FR 13201 (March 19, 1997).

<sup>2</sup> The Commission notes that PHLX's Rule 2001 is incomplete in that it does not contain all the sections of the Pre-Opening Application that the other exchange's Pre-Opening Application rules and the ITS Plan model Pre-Opening Application rule possess. The PHLX must file to amend Rule 2001 in order to further conform Rule 2001 to the Pre-Opening Application rules of other exchanges and to the ITS Plan model Pre-Opening Application rules to the extent that Rule 2001 does not contain relevant sections.

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

#### 1. Purpose

The purpose of the proposed rule change is to enhance the operation of the Pre-Opening Application under PHLX's Rule 2001. Rule 2001 contains basic definitions pertaining to ITS, prescribes the types of transactions that may be effected through ITS and the pricing of commitments to trade, and specifies the procedures pertaining to the operation of the Pre-Opening Application, whereby an Exchange specialist who wishes to open a market in an ITS stock may obtain any pre-opening interest in that stock by other market-makers registered in that stock in other Participant markets.

PHLX's current Pre-Opening Application prescribes that if an Exchange specialist anticipates that the opening transaction on the Exchange will be at a price that represents a change from the security's previous days' consolidated closing price of more than the "applicable price change," the Exchange specialist shall notify other Participant markets by sending a pre-opening notification through the ITS. The "applicable price changes" in current Rule 2001 are:

Consolidated closing price <sup>3</sup>	Applicable price change (more than)
Network A 4:	
Under \$15 .....	1/8 point.
\$15 or over .....	1/4 point.
Network B:	
Under \$5 or over .....	1/8 point.
	1/4 point.

Thereafter, the Exchange specialist shall not open the market in the security until not less than three minutes after the transmission of the pre-opening notification. Once an Exchange specialist has issued a pre-opening notification, other Participant markets may transmit "pre-opening responses" to the Exchange specialist through the ITS that contain "obligations to trade."

<sup>3</sup> If the previous day's closing price of an eligible listed security exceeded \$100 and the security does not underlie an individual stock option contract listed and currently trading on an exchange, the "applicable price change" is one point.

<sup>4</sup> Network A is comprised of New York Stock Exchange ("NYSE") securities; Network B is comprised of securities admitted on the American Stock Exchange, the Boston Stock Exchange, the Chicago Board Options Exchange, the Chicago Stock Exchange, the Cincinnati Stock Exchange, the Pacific Exchange, the Philadelphia Stock Exchange, or any other exchange, but not also admitted to dealings on the NYSE.

<sup>26</sup> 17 CFR 200.30-3(a)(12).

The Exchange specialist is then obligated to combine these obligations with orders it already holds in the security, and, on the basis of this aggregated information, decide upon the opening transaction in the security.

PHLX's current Rule 2001(c)(ii) states that the Pre-Opening Application also applies whenever the specialist wishes to resume trading on the Exchange in any Eligible Listed security following the initiation of a "Regulatory Halt" by any Participant that is an exchange if both trading has been halted in all exchange markets and, when the relevant security is also eligible for trading through the interface between the ITS and the NASD's Computer Assisted Execution System ("CAES"), the NASD has suspended quotations in the relevant security. Pursuant to current Rule 2001(c)(ii), the Pre-Opening Application does not apply when trading on the Exchange is resumed following the initiation of a Regulatory Halt if either (1) trading has not been halted in all exchange markets or, when the relevant security is also eligible for trading through the interface between the ITS and CAES, the NASD has not suspended quotations in the affected security or (2) following any other type of halt in trading on the Exchange for any reason. When the Pre-Opening Application applies under Rule 2001(c)(ii), the Exchange specialist must send a pre-opening notification through ITS.

The purpose of the proposal is to amend PHLX's Rule 2001 to provide that the Pre-Opening Application would be triggered whenever any "indication of interest" (i.e., an anticipated opening price range) is sent to the Consolidated Tape System prior to the opening or reopening of trading in the relevant security. Under the proposed change, the Pre-Opening Application would be triggered when indications of interest are disseminated in situations other than those defined in Rule 2001(c)(ii), "Applicability Following Regulatory Halts," including the resumption of trading following the activation of market-wide circuit breakers.

In particular, the proposal would amend Rule 2001(b)(7) to provide that the Pre-Opening Application applies (i) "whenever a market maker in any Participant market, in arranging an opening transaction in that market in a System security, anticipates that the opening transaction will be at a price that represents a change from the security's 'previous day's closing price' at more than the 'applicable price range'" and (ii) "whenever an 'indication of interest' (an anticipated opening price range) is sent to the CTA

Plan Processor as required or permitted by the CTA Plan or a Participant market's rules."<sup>5</sup> The proposed rule change also deletes current Rule 2001(c)(x), "Tape Indications," replaces it with the exact language of the ITS Plan model Pre-Opening Application rule pertaining to tape indications, and renumbers the section as Rule 2001(c)(i)(B). The proposed rule change would replace all references to "Trading Halt" with "halt or suspension in trading" and delete Rule 2001(c)(ii), "Applicability Following Regulatory Halts," because it would be inconsistent with the new language "halt or suspension in trading." As a result, one standard procedure would then govern all trading halt situations and would include suspensions of trading pursuant to circuit breaker halts.<sup>6</sup>

As part of addressing the halt language described above, the Exchange had identified certain other necessary corrections, clarifications and updates to rule 2001. As a result, the proposed rule change amends Rule 2001(a), which contains the core definitions applicable to ITS, by adding the previously omitted definitions of Network A and Network B eligible securities and renumbering the remaining definitions. This addition is consistent with the comparable rules of other exchanges.<sup>7</sup> The Exchange also proposes to reorganize certain provisions of Rule 2001 to improve its clarity. The proposed rule change reorganizes Rule 2001(c) into subparagraphs (i) Notifications and (ii) Pre-Opening Responses. The proposed rule change further divides proposed Rule 2001(c)(i) into (A) Applicable Price Change and (B) Tape Indications. The proposed rule change then further subdivides Rule 2001(c)(i)(A) into (1) Initial Notification, (2) Form of Notification, and (3) Subsequent Notification. The proposed rule change also amends proposed Rule 2001(c)(i)(A)(1) to state that the applicable price changes for Network B securities would be 1/8 point for consolidated closing prices under \$5 and 1/4 point for consolidated closing

prices of \$5 or over. Finally, the proposed rule change adds "Network A" to the footnote under proposed Rule 2001(c)(i)(A)(1) to state that "[i]f the previous day's consolidated closing price of a Network A Eligible Listed security exceeded \$100 and the security does not underlie an individual stock option contract listed and currently trading on a national securities exchange, the 'applicable price change' is one point."

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>8</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and 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, by treating all halts similarly for purposes of ITS. The proposed rule change is also consistent with Section 11A(a)(1)(D)<sup>9</sup> of the Act which states that the linking of all markets for qualified securities through communications and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to the best execution of such orders.

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

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

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

No written comments were either solicited or received.

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

Within 35 days of the 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 self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78k-1(a)(1)(D).

<sup>5</sup> The Commission notes that this language is essentially the same as that in other exchange's Pre-Opening Application rules and the model Pre-Opening Application rule contained in the ITS Plan.

<sup>6</sup> The Exchange notes that this amendment to Rule 2001 is being made in conjunction with comparable amendments to the ITS Plan, as well as the rules of the other ITS Participant exchanges, which originate from recent changes to exchange circuit breaker provisions. See SR-BSE-96-11 and Securities Exchange Act Release Nos. 37459 (July 19, 1996) 61 FR 39172 (July 26, 1996) (one-half hour and one hour halts) and 38221 (January 31, 1997) 62 FR 5871 (February 7, 1997) (350 and 550 point thresholds).

<sup>7</sup> See e.g., Amex Rule 232(a) (v) and (vi).

(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. 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 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 File No. SR-PHLX-97-13 and should be submitted by May 12, 1997.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-10224 Filed 4-18-97; 8:45 am]

BILLING CODE 8010-01-M

#### DEPARTMENT OF STATE

[Public Notice No. 2531]

#### State Department Overseas Security Advisory Council; Notice of Meeting; Closed Meeting

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on Thursday, May 22, at the Ritz-Carlton Hotel, St. Louis, Missouri. Pursuant to Section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c) (1) and (4), it has been determined the meeting will be closed to the public. Matters relative to classified national security information as well as privileged commercial information will be discussed. The agenda calls for the discussion of classified and corporate proprietary/security information as well as private sector physical and procedural security policies and protective programs at sensitive U.S.

Government and private sector locations overseas.

For more information contact Marsha Thurman, Overseas Security Advisory Council, Department of State, Washington, D.C. 20522-1003, phone: 202-663-0869.

Dated: April 8, 1997.

**William D. Clarke,**

*Acting Director of the Diplomatic Security Service.*

[FR Doc. 97-10228 Filed 4-18-97; 8:45 am]

BILLING CODE 4710-24-M

#### TENNESSEE VALLEY AUTHORITY

##### Sunshine Act Meeting

**AGENCY HOLDING THE MEETING:** Tennessee Valley Authority (Meeting No. 1494).

**TIME AND DATE:** 10 a.m. (CDT), April 23, 1997.

**PLACE:** Motlow State Community College, Eoff Hall Powers Auditorium, Ledford Mill Road, Tullahoma, Tennessee.

**STATUS:** Open.

##### Agenda

Approval of minutes of meeting held on March 26, 1997.

Discussion Item

Tims Ford Dam

New Business

B—Purchase Award

B1. Contract with Electrical Supply Alliance for General Electrical Items for all TVA Locations.

C—Energy

C1. Contract with Energy and Environmental Research Corporation, subject to final negotiation, to design and furnish low NO<sub>x</sub> gas reburn systems and technical support for Allen Fossil Plant Units 1 through 3.

C2. Extension of Voith Partners in Performance Agreement (Contract No. 93PBL-79099E), subject to final negotiation.

Real Property Transactions

E1. Sale of 10-year easement to the City of Mount Juliet, Tennessee, affecting approximately 16.6 acres of TVA's Gallatin-West Nashville Transmission Line, Tap into Lakeview in Wilson County, Tennessee (Tract No. XWGLT-1E), for use as a recreation area.

E2. Sale of Noncommercial, nonexclusive permanent easements to James W. Wollaston (Tract No. XTELR-189RE), David Weston (Tract No. XTELR-194RE), and William H. Culley (Tract No. XTELR-195RE) affecting 0.275 acre of Tellico Lake shoreline in Monroe and Loudon Counties, Tennessee, for construction and maintenance of recreational water-use facilities.

E3. Sale of a permanent easement to Rivers Run Properties, Inc., affecting approximately

0.96 acre of land on Melton Hill Lake in Anderson County, Tennessee (Tract No. XMHR-57H), for a road and utilities right-of-way.

##### Information Items

1. Delegation of authority to the Chief Administrative Officer to supplement Contract No. TV-93582V with Fitzgerald & Company.

2. Performance Incentive Plan and Fiscal Year 1997 Plan Goals.

3. TVA Long Term Deferred Compensation Plan,

4. Amendments to Supplemental Executive Retirement Plan.

5. New investment manager and new investment management agreement between the TVA Retirement System and Taplin, Canida & Habacht, Inc.

6. Sale of a 20-year permanent easement to Southern Ionics, Inc., affecting approximately 6 acres of land on Chickamauga Lake in McMinn County, Tennessee (Tract No. XCR-691BT), for a barge terminal.

7. Sale of Tennessee Valley Authority Power Bands.

8. Filing of condemnation cases.

9. Delegation of authority to the Vice President of Fuel Supply and Engineering, or such officer's designee, to enter into an amendment to Contract No. P-87P07-115632 with Pyxis Coal Sales Company.

10. Delegation of authority to the Vice President of Fuel Supply and Engineering, or such officer's designee, to enter into an amendment to Contract No. CSXT-C-57263 with CSX Transportation, Inc.

11. Approval of water releases on the Upper Ocoee River.

12. Delegation of authority to the Vice President of Fuel Supply and Engineering, or such officer's designee, to enter into an amendment to Contract No. P-90P07-115994 with Bell County Coal Corporation, by James River Coal Company.

13. Amendment to the Kentucky Reservoir Land Management Plan affecting approximately 37.3 acres of land on Kentucky Lake in Calloway County, Kentucky (Tract No. XGIR-44PT in the Land Management Plan and being designated in TVA land records as Tract No. XGIR-919RE), and a 30-year easement to Harbor Hill Marine, Inc., for commercial recreation affecting the same area.

14. Authorization to establish and operate a Tennessee liability company with Voith Hydro, Inc., to be known as Hydro Resource Solutions, LLC.

*For more information:* Please call TVA Public Relations at (423) 632-6000, Knoxville, Tennessee. Information is also available at TVA's Washington Office (202) 898-2999.

Dated: April 16, 1997.

**Edward S. Christenbury,**

*General Counsel and Secretary.*

[FR Doc. 97-10311 Filed 4-17-97; 10:57 am]

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