

not provide a basis for continuing a trade halt.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of section 15A(b)(6) of the Act,³ which requires, among other things, that the Association's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. Nasdaq believes the proposed rule change is consistent with these requirements because the amendment will provide Nasdaq with clearer authority to respond to and alleviate market disruptions and thereby protect investors and the public interest.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in 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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for 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 NASD 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 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 in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of Nasdaq. All submissions should refer to file number SR-NASD-2001-37 and should be submitted by June 12, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

[FR Doc. 01-12825 Filed 5-21-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44302; File No. SR-NYSE-00-61]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc., To Amend the Interpretation of NYSE Rule 412, "Customer Account Transfer Contracts"

May 14, 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"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change and on February 12, 2001, amended the proposed rule change³ as described in Items I, II, and III below, which Items have been prepared primarily by the NYSE. The Commission is publishing this notice to solicit comments on the amended proposed rule change from interested persons.

⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Letter from Darla C. Stuckey, Assistant Secretary, NYSE to Jerry Carpenter, Assistant Director, Division of Market Regulation (February 8, 2001).

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

The NYSE proposes to amend its Interpretation of NYSE Rule 412, "Customer Account Transfer Contracts," to expedite the transfer of customer accounts containing proprietary and/or third party products. The text of the proposed rule change is available upon request from the NYSE's Office of the Secretary or through the Commission's Public Reference Branch.

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 NYSE 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 NYSE has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.⁴

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

1. Purpose

a. *Introduction.* NYSE Rule 412 prescribes procedures for member organizations transferring customer accounts and requires the use of the automated Customer Account Transfer Service ("ACATS") which is administered by the National Securities Clearing Corporation ("NSCC"). Since ACATS's inception in 1985, several enhancements to the system and to NYSE Rule 412 have allowed for faster and more efficient transfers to customer accounts. Recent ACATS modifications offer the capability to facilitate the transfer of accounts containing third party and/or proprietary products. The proposed amendments to the Interpretation of NYSE Rule 412 relate to these modifications and would provide the number greater flexibility to expedite the transfer of such accounts.

b. *Background.* The transfer process is initiated when, upon a customer's written instructions, the receiving firm⁵ submits a Transfer Instruction Form or Transfer Initiation Form ("TIF") to the

⁴ The Commission has modified the text of the summaries prepared by the NYSE.

⁵ Within the context of NYSE Rule 412, the term "receiving firm" refers to a member organization to which a customer is transferring his account.

³ 15 U.S.C. 78o-3(b)(6).

carrying firm.⁶ Although most securities can be transferred through ACATS, member organizations vary widely in their ability to accept and support certain proprietary and/or third party investment products. These differences in servicing capability are particularly problematic with regard to mutual funds.

In order to carry a mutual fund position for a customer's account, the member organization must have a marketing agreement with the investment company that has issued the fund and must have certain corresponding servicing capabilities (e.g., capacity to buy and sell shares, reinvest dividends, etc.). The extraordinarily large number of mutual funds that have become available over the last decade has resulted in great variance among member organizations with respect to the third party funds they can sell, service, and support.

c. *Current Situation.* In the current ACATS environment, a carrying firm must deliver third party client mutual funds without knowing whether the receiving firm has the capability to accept, service, and support such funds. If the receiving firm cannot support a particular fund, the delivery will be made to the receiving firm and then to be reversed back to the carrying firm, resulting in substantial processing time by both firms and an overall delay in completing the transfer. To illustrate the point, member organizations approximate that 50% of their ACATS "fails-to-deliver" that must ultimately be reversed are caused by mutual funds the receiving firm is unable to support. The ACATS-generated fails result in considerable expense to carrying firms because they are required to credit the receiving firm funds equivalent to the value of the assets they are unable to deliver.

d. *Proposed Amendments to the Interpretation of NYSE Rule 412.* The proposed amendments to paragraphs (b)(1)/01/04, and /06 of the Interpretation of NYSE Rule 412, in conjunction with the corresponding modifications to the ACATS system, would allow the receiving firm to review an asset validation report provided by the carrying firm and designate those proprietary and/or third party products (i.e., mutual funds/money market funds) it is unable to support. As to those products it is unable to support, the receiving firm would have to provide the customer with a list of the specific assets and

request in writing prior to or at the time it makes such designation, further instructions from the customer with respect to the disposition of such assets. The customer would, at minimum, have to be provided with the following options⁷:

- (1) Liquidation;
- (2) Retention by the carrying organization;
- (3) Physical shipment in the customer's name to the customer; or
- (4) Transfer to the third party that is the original source of the product.⁷

The transfer of the other assets in the account would be undertaken simultaneously with the receiving firm's designation of nontransferable assets. The proposed designation requirements on the part of the receiving firm should reduce the overall timeframe for transferring proprietary and/or third party products and should lower the related costs incurred by member organizations.

The proposed amendments also include a notification enhancement that will expedite the disposition of nontransferable carrying firm proprietary products.⁸ The current Interpretation requires that the carrying organization provide general notification to the customer if an account to be transferred contains any nontransferable assets. The proposed amendments would require the carrying organization to notify the customer of the specific nontransferable, proprietary assets of the carrying firm that are in the account and would further require the carrying organization to provide the customer with a list of those specific assets.

e. *Internal Reassignment of Accounts.* An additional amendment to the Interpretation of NYSE Rule 412⁹ is being proposed to address situations where a carrying organization internally reassigns customer accounts to other registered representatives and establishes new account numbers. The proposed amendment places responsibility for tracking these account number changes with the carrying organization and makes clear that a transfer request rejected on the basis of such reassignment will not be considered a legitimate exception under the new rule.

2. Statutory Basis

The NYSE believes the proposed rule change is consistent with section 6(b) of the Act¹⁰ in general and furthers the

objectives of section 6(b)(5) of the Act¹¹ in particular in that it is designed to: promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. These interests are served when procedures governing the transfer of customer accounts are made more efficient.

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

The NYSE believes that the proposed rule 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 NYSE has neither solicited nor received written comments on the proposed rule change.

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

Within thirty-five 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 ninety 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, as amended, 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

⁷ Rule 412(b)/06(B).

⁸ Rule 412(b)(1)/06(A).

⁹ Rule 412(b)(1)/02.

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(5).

⁶ Within the context of NYSE Rule 412, the term "carrying firm" refers to a member organization from which a customer is transferring his account.

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 NYSE's principal office. All submissions should refer to File No. SR-NYSE-00-61 and should be submitted by June 12, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Jonathan G. Katz,
Secretary.

[FR Doc. 01-12791 Filed 5-21-01; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

DATES: Submit comments on or before July 23, 2001.

ADDRESSES: Send all comments regarding whether this information collection is necessary for the proper performance of the function of the agency, whether the burden estimate is accurate, and if there are ways to minimize the estimated burden and enhance the quality of the collection, to Jonathan R. Pawlow, Assistant Chief Counsel, Office of Advocacy, Small Business Administration, 409 3rd Street, SW., Suite 7800, Washington DC 20416.

FOR FURTHER INFORMATION CONTACT: Jonathan R. Pawlow, Assistant Chief Counsel, (202) 205-6951 or Curtis B. Rich, Management Analyst, (202) 205-7030.

SUPPLEMENTARY INFORMATION:

Title: Evaluation of State Efforts to Review and Alleviate State Regulatory Burdens on Small Business.

Form No: N/A.

Description of Respondents: The Office of Advocacy is surveying states to gain a better understanding of what states are doing to help small businesses overcome state regulatory hurdles.

Annual Responses: 130.

Annual Burden: 120.

Jacqueline White,
Chief, Administrative Information Branch.
[FR Doc. 01-12827 Filed 5-21-01; 8:45 am]
BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 3666]

Advisory Committee on International Communications and Information Policy; Meeting Notice

The Department of State is announcing the next meeting of its Advisory Committee on International Communications and Information Policy.

The Committee provides a formal channel for regular consultation and coordination on major economic, social and legal issues and problems in international communications and information policy, especially as these issues and problems involve users of information and communication services, providers of such services, technology research and development, foreign industrial and regulatory policy, the activities of international organizations with regard to communications and information, and developing country interests.

There will be a featured guest speaker at the meeting who will speak on an important topic involving international communications and information policy.

This meeting will be held on Thursday, June 14, 2001, from 9:30 a.m.-12:30 p.m. in Room 1105 of the Main Building of the U.S. Department of State, located at 2201 "C" Street, NW., Washington, DC 20520.

Members of the public may attend these meetings up to the seating capacity of the room. While the meeting is open to the public, admittance to the State Department Building is only by means of a pre-arranged clearance list. In order to be placed on the pre-clearance list, please provide your name, title, company, social security number, date of birth, and citizenship to Timothy C. Finton at <fintontc@state.gov> no later than noon on Wednesday, June 13. All attendees for this meeting must use the 23rd Street entrance. One of the following valid ID's will be required for admittance: any U.S. driver's license with photo, a passport, or a U.S. Government agency ID. Non-U.S. Government attendees must be escorted by State Department personnel at all times when in the State Department building.

For further information, contact Timothy C. Finton, Executive Secretary of the Committee, at (202) 647-5385 or <fintontc@state.gov>.

Dated: May 14, 2001.

Timothy C. Finton,
Executive Secretary, Advisory Committee on International Communications and Information Policy, Department of State.
[FR Doc. 01-12851 Filed 5-21-01; 8:45 am]
BILLING CODE 4710-45-P

DEPARTMENT OF STATE

[Public Notice Number: 3662]

Advisory Commission on Public Diplomacy; Notice of Meeting

The U.S. Advisory Commission on Public Diplomacy, reauthorized pursuant to Public Law 106-113 (H.R. 3194, Consolidated Appropriations Act, 2000), will meet on Thursday, June 7, 2001, in Room 600, 301 4th St., SW., Washington, DC from 9:30 a.m. to 12:00 Noon.

The Commission will discuss its recent trip to Asia, the future of public diplomacy in the Department of State, and the future of the Commission.

Members of the general public may attend the meeting, though attendance of public members will be limited to the seating available. Access to the building is controlled, and individual building passes are required for all attendees. Persons who plan to attend should contact David J. Kramer, Executive Director, at (202) 619-4463.

Dated: May 11, 2001.

David J. Kramer,
Executive Director, Advisory Commission on Public Diplomacy, Department of State.
[FR Doc. 01-12849 Filed 5-21-01; 8:45 am]
BILLING CODE 4710-11-P

DEPARTMENT OF STATE

[Notice Number 3665]

Shipping Coordinating Committee; Notice of Meeting

The Shipping Coordinating Committee (SHC) will conduct an open meeting at 9:00 a.m. on Tuesday, 12 June, in Room 6301, at U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC 20593-0001. The purpose of the meeting is to finalize preparations for the 50th Session of the Technical Cooperation Committee (TCC 50) and 86th Session of Council of the International Maritime Organization (IMO).

¹² 17 CFR 200.30-2(a)(12).