

principles of trade, and to protect investors and the public interest.<sup>11</sup> Allowing the PSE to appoint up to six additional LMMs to the Book Pilot Program and increasing the number of options symbols available to the program by 110 constitutes a reasonable and limited expansion of the Book Pilot Program. The expansion should provide the Exchange with sufficient experience administering the pilot in order to better determine whether the Book Pilot Program should be made permanent upon its scheduled expiration on October 31, 1997.<sup>12</sup>

As noted in the Pilot Approval Order, before the Book Pilot Program can be approved on a permanent basis, or further extended, the Exchange must provide the Commission, within 6 months prior to its expiration, with a report on the operation of the Book Pilot Program. Specifically, the PSE must submit an updated pilot program report by April 1997 that addresses: (1) Whether there have been any complaints regarding the operation of the pilot; (2) whether the PSE has taken any disciplinary or performance action against any member due to the operation of the pilot; (3) whether the PSE has reassigned any options issues traded pursuant to the pilot; and (4) the impact of the pilot on the bid/ask spreads, depth and continuity in PSE options markets.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> that the proposed rule change (File No. SR-PSE-96-45), is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-8877 Filed 4-7-97; 8:45 am]

BILLING CODE 8010-01-M

## DEPARTMENT OF TRANSPORTATION

### Federal Highway Administration

#### Environmental Impact Statement: San Mateo County, California

**AGENCY:** Federal Highway Administration (FHWA), DOT.

**ACTION:** Notice of Intent to supplement a final environmental impact statement.

**SUMMARY:** The FHWA is issuing this notice to advise the public that a supplement to a final environmental impact statement will be prepared for a proposed highway project in San Mateo County, California.

**FOR FURTHER INFORMATION CONTACT:** John R. Schultz, Chief, District Operations-North, Federal Highway Administration, 980 Ninth Street, Suite 400, Sacramento, California 95814-2724; Telephone: (916) 498-5041.

**SUPPLEMENTARY INFORMATION:** The FHWA, in cooperation with the California Department of Transportation (Caltrans), will prepare a supplement to the final environmental impact statement (EIS) on a proposal to improve State Route (SR) 1 in San Mateo County, California. The original final EIS for the improvements (FHWA-CA-EIS-83-14-F) was approved on April 16, 1986. The project study limits of alternatives considered in the final EIS extended from Half Moon Bay Airport, between Moss Beach and El Granada, on the south to Linda Mar Boulevard in Pacifica on the north, a distance of approximately 11.3 km (7 miles).

The preferred alternative, identified in the final EIS and selected in the Record of Decision signed on May 30, 1986, is known as the Martini Creek alignment alternative. From the southern end, this alternative begins north of the southern project study limit on SR 1, 0.2 km (0.1 mile) north of Montara near the Chart House Restaurant. From there it swings inland, crosses Martini Creek, curves seaward (west) and then northeasterly, proceeds over the San Pedro Mountain saddle and down into the City of Pacifica where it rejoins SR 1 at Linda Mar Boulevard. The proposed project is a two-land, controlled access facility; however, since the entire project on both sides of the summit exceeds six percent, the project design includes an uphill slow vehicle lane in each direction. The proposed project is approximately 7.2 km (4.5 miles) in length.

Litigation regarding the project was commenced in U.S. District Court in the Northern District of California in June

1986 (Sierra Club, et al. v. United States Department of Transportation, et al., Civ. No. 86-3384 DLJ). The project has been enjoined since September 1986, prior to the commencement of any construction. Ultimately, the District Court found that the final EIS was inadequate only in its discussion and analysis of noise impacts and required a re-analysis of those impacts, as set forth in the Court's Orders of April 3, 1989, and April 2, 1990. Thereafter, in 1995, FHWA and Caltrans prepared a limited supplemental EIS for the purpose of addressing the noise impact analysis deficiencies in the final EIS, as determined in the litigation.

Based on public comments received, the August 10, 1995 Record of Decision regarding the supplemental EIS included a commitment by the FHWA to address the issue of a tunnel alternative in the reevaluation of the 1986 final EIS. A tunnel alternative was considered earlier in the project development process, but has been withdrawn from active consideration prior to the issuance of the draft EIS that was the basis for the 1986 final EIS. The reevaluation was to be undertaken since major steps to advance the project had not occurred within three years after the approval of the final EIS. 23 CFR 771.129(b). The intent of the reevaluation of the final EIS was to determine whether or not new information or circumstances relevant to environmental concerns and bearing on the proposed project or its impacts would result in significant environmental impacts not evaluated in the final EIS. 23 CFR 771.130(a)(2).

In response to requests from local agencies and the public, Caltrans hired an independent consulting firm to conduct a tunnel feasibility study. Based upon the results of the tunnel feasibility report issued in October 1996, and the updated cost estimates for the revised highway bypass alternative (now \$117 million), FHWA and Caltrans have determined that a tunnel alternative is a reasonable alternative for the proposed project that should be fully evaluated in the environmental process. Therefore, a second supplement to the 1986 final EIS will be prepared and will include an analysis of both the updated Martini Creek bypass alternative and a tunnel alternative. Since the purpose of a reevaluation is to determine whether or not the original EIS remains valid, FHWA's decision to prepare a full supplemental EIS (as compared with the 1995 supplemental EIS which was of limited scope) means that a reevaluation of the 1986 final EIS is no longer necessary.

<sup>11</sup> In approving the rule change, the Commission has considered the proposed rule changes' impact on efficiency, competition, and capital formation. 15 U.S.C. § 78c(f).

<sup>12</sup> The PSE has represented that it has experienced no operational problems and received no complaints regarding the operation of the Book Pilot Program. Telephone conversation between Janet W. Russell-Hunter, Special Counsel, Office of Market Supervision, Division of Market Regulation, SEC, and Michael D. Pierson, Senior Attorney, Regulatory Policy, PSE, April 1, 1997.

<sup>13</sup> 15 U.S.C. 78s(b)(2) (1988).

<sup>14</sup> 17 CFR 200.30-3(a)(12).

In the meantime, on November 5, 1996, the voters of San Mateo County passed the Devil's Slide Tunnel Initiative known as Measure T. Passage of the Measure initiated the process to amend the County's land use plan portion of the San Mateo County certified Local Coastal Program (LCP) to provide a tunnel for motorized vehicles only behind Devil's Slide through San Pedro Mountain as the preferred alternative for Highway 1 around Devil's Slide, and to delete references to a two-lane bypass along the Martini Creek alignment. The Initiative required that the tunnel be designed consistent with restricting Route 1 to a 2-lane scenic highway using minimum state and federal tunnel standards, and that a separate trail for pedestrians and bicycles be provided outside the tunnel. The Measure also requires voter approval of any other alternative to the tunnel, except repair of the existing highway. On January 9, 1997, the California Coastal Commission voted unanimously to certify the LCP amendment as submitted by the County.

The proposed tunnel alternative is a 1,219 m (4,000-foot) long, double bore facility with one lane in each direction. The north approach road is about 457 m (1,500 feet) long, and the south approach road is about 305 m (1,000 feet) long. Proceeding south from Pacifica, the alignment departs from existing Route 1 along a 7% uphill grade, crosses the valley at Shamrock Ranch, passes through a small ravine, enters the tunnel beneath San Pedro Mountain, and exits the tunnel just south of the Devil's Slide area where it rejoins the existing highway.

Two tunnel design variations, a 9.1 m (30-foot) wide tunnel (variation A), and an 11.0 m 36-foot wide tunnel (variation B), will be analyzed in the SEIS/EIR. The total project costs of tunnel variations A and B are estimated to be \$125,950,000 and \$130,294,000, respectively. Tunnel variation B allows pedestrian and bicycle access inside the tunnel, while variation A provides a pedestrian/bicycle path outside the tunnel. Even though tunnel variation B is not consistent with the County's recently revised LCP, this design must be considered until an economically and environmentally feasible bicycle/pedestrian path alignment outside the tunnel (variation A) has been established through the environmental process. Until such time, variation B will be analyzed as a viable option that retains bicycle and pedestrian continuity along Route 1.

Letters describing this proposed action and soliciting comments will be sent to appropriate Federal, State, and

local agencies, and to private organizations and individuals that have previously expressed, or are known to have, an interest in this proposal. In addition, two formal public hearings will be held on the draft supplemental EIS; one in Half Moon Bay, and one in Pacifica. Public notice will be given of the exact time and place of the hearings. The draft supplemental EIS will be available for public and agency review and comment prior to the public hearings.

To ensure that the full range of issues related to this proposed action are addressed and that all significant issues are identified, comments and suggestions are invited from all interested parties. Comments or questions concerning this proposed action and the supplemental EIS should be directed to the FHWA at the address provided above.

(Catalog of Federal Domestic Assistance Program Number 20.205, Highway Research, Planning and Construction. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities apply to this program)

Issued on: April 1, 1997.

**G.P. Bill Wong,**

*Senior Transportation Engineer, Sacramento, California.*

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

[Docket No. 97-019; Notice 1]

#### Notice of Receipt of Petition for Decision That Nonconforming 1990 Mercedes-Benz 420 SEC Passenger Cars Are Eligible for Importation

**AGENCY:** National Highway Traffic Safety Administration, DOT.

**ACTION:** Notice of receipt of petition for decision that nonconforming 1990 Mercedes-Benz 420 SEC passenger cars are eligible for importation.

**SUMMARY:** This notice announces receipt by the National Highway Traffic Safety Administration (NHTSA) of a petition for a decision that a 1990 Mercedes-Benz 420 SEC that was not originally manufactured to comply with all applicable Federal motor vehicle safety standards is eligible for importation into the United States because (1) it is substantially similar to a vehicle that was originally manufactured for importation into and sale in the United States and that was certified by its

manufacturer as complying with the safety standards, and (2) it is capable of being readily altered to conform to the standards.

**DATES:** The closing date for comments on the petition is May 8, 1997.

**ADDRESSES:** Comments should refer to the docket number and notice number, and be submitted to: Docket Section, Room 5109, National Highway Traffic Safety Administration, 400 Seventh St., SW., Washington, DC 20590. (Docket hours are from 9:30 a.m. to 4 p.m.)

**FOR FURTHER INFORMATION CONTACT:** George Entwistle, Office of Vehicle Safety Compliance, NHTSA (202-366-5306).

#### SUPPLEMENTARY INFORMATION:

##### Background

Under 49 U.S.C. 30141(a)(1)(A), a motor vehicle that was not originally manufactured to conform to all applicable Federal motor vehicle safety standards shall be refused admission into the United States unless NHTSA has decided that the motor vehicle is substantially similar to a motor vehicle originally manufactured for importation into and sale in the United States, certified under 49 U.S.C. 30115, and of the same model year as the model of the motor vehicle to be compared, and is capable of being readily altered to conform to all applicable Federal motor vehicle safety standards.

Petitions for eligibility decisions may be submitted by either manufacturers or importers who have registered with NHTSA pursuant to 49 CFR part 592. As specified in 49 CFR 593.7, NHTSA publishes notice in the **Federal Register** of each petition that it receives, and affords interested persons an opportunity to comment on the petition. At the close of the comment period, NHTSA decides, on the basis of the petition and any comments that it has received, whether the vehicle is eligible for importation. The agency then publishes this decision in the **Federal Register**.

Champagne Imports, Inc. of Lansdale, Pennsylvania ("Champagne") (Registered Importer 90-009) has petitioned NHTSA to decide whether 1990 Mercedes-Benz 420 SEC passenger cars are eligible for importation into the United States. The vehicle which Champagne believes is substantially similar is the 1990 Mercedes-Benz 560 SEC that was manufactured for importation into, and sale in, the United States and certified by its manufacturer, Daimler Benz, A.G., as conforming to all applicable Federal motor vehicle safety standards.