

(3) By mail addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

In addition to meeting other applicable requirements of 10 CFR Part 2 of the Commission's regulations, a request for a hearing filed by a person other than an applicant must describe in detail:

(1) The interest of the requestor in the proceeding;

(2) How that interest may be affected by the results of the proceeding, including the reasons why the requestor should be permitted a hearing, with particular reference to the factors set out in § 2.1205(g);

(3) The requestor's areas of concern about the licensing activity that is the subject matter of the proceeding; and

(4) The circumstances establishing that the request for a hearing is timely in accordance with § 2.1205(c).

Any hearing request that is granted will be held in accordance with the Commission's "Informal Hearing Procedures for Adjudications in Materials and Operator Licensing Proceedings" in 10 CFR Part 2, Subpart L.

Dated at Rockville, Maryland, this 8th day of September 1998.

For the Nuclear Regulatory Commission.

**Joseph J. Holonich,**

*Chief, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.*

[FR Doc. 98-24569 Filed 9-11-98; 8:45 am]

BILLING CODE 7590-01-P

## NUCLEAR REGULATORY COMMISSION

### Twenty-Sixth Water Reactor Safety Information Meeting

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Notice of meeting.

**SUMMARY:** The Twenty-Sixth Water Reactor Safety Information Meeting will be held on October 26-28, 1998, 8:30 a.m. to 5:00 p.m. in the Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Maryland.

The Water Reactor Safety Information Meeting will be opened by NRC Chairman Shirley Ann Jackson as the keynote speaker for the plenary session on Monday, October 26, 1998 at 8:30 a.m. and Commissioner Diaz will speak at lunch. There will be a panel discussion on Tuesday morning, October 27, 1998 at 8:30 a.m. which will focus on the Future of Research. Carlos Vitanza will be Tuesday's luncheon

speaker presenting an overview of the OECD Halden Reactor Project and main issues for the year 2000 and beyond.

This meeting is international in scope and includes presentations by personnel from the NRC, U.S. Government, laboratories, private contractors, universities, the Electric Power Research Institute, reactor vendors, and a number of foreign agencies. This meeting is sponsored by the NRC and conducted by the Brookhaven National Laboratory.

The preliminary agenda for this year's meeting includes 12 sessions, along with the panel discussions, on the following topics: Pressure Vessel Research, Severe Accidents Research and Fission Product Behavior, Nuclear Materials Issues and Health Effects Research, Materials Integrity Issues, Digital Instrumentation and Control, Structural Performance, The Halden Program, PRA Methods and Applications, Thermal Hydraulic Research, Plant Aging (2 sessions), and High Burn-up Fuel.

Those who wish to attend may register at the meeting or in advance by contacting Susan Monteleone, Brookhaven National Laboratory, Department of Nuclear Energy, Building 130, Upton, NY 11973, telephone (516) 344-7235; Sandra Nesmith (301) 415-6437, or Christine Bonsby (301) 415-5838, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

Dated at Rockville, Maryland, this 2nd Day of September, 1998.

For the Nuclear Regulatory Commission.

**Alois J. Burda,**

*Deputy Director, Financial Management, Procurement and Administration Staff, Office of Nuclear Regulatory Research.*

[FR Doc. 98-24565 Filed 9-11-98; 8:45 am]

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## PRESIDIO TRUST

### Procedures for Implementing the National Environmental Policy Act

**AGENCY:** The Presidio Trust.

**ACTION:** Interim policy statement and notice of availability.

**SUMMARY:** This notice announces the Presidio Trust's adoption of interim procedures and guidelines for implementing the National Environmental Policy Act of 1969 (NEPA).

The Presidio Trust assumed administrative jurisdiction of approximately 80% of the Presidio of San Francisco by transfer from the National Park Service on July 1, 1998.

The National Park Service has adopted and ordinarily follows certain procedures and guidelines in fulfilling its obligations under NEPA, including the current versions of "Standard Operating Procedure 601" and "NPS-12: National Environmental Policy Act Guidelines." In consultation with the Council on Environmental Quality, the Presidio Trust has adopted these National Park Service procedures and guidelines as its own interim procedures and guidelines for implementing NEPA, to the extent that the National Park Service procedures and guidelines do not conflict with the Presidio Trust Act or regulations of the Presidio Trust. These interim procedures and guidelines will remain in effect until such time as the Presidio Trust adopts final procedures and guidelines implementing NEPA.

The Presidio Trust has adopted these interim procedures and guidelines pursuant to the Presidio Trust Act (Pub. L. 104-333, 110 Stat. 4097 (16 U.S.C. 460bb note)), the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), and regulations of the Council on Environmental Quality (40 CFR 1507.3).

Copies of these procedures and guidelines, as well as the Presidio Trust's resolution adopting them, are available upon request to the Presidio Trust.

#### FOR FURTHER INFORMATION CONTACT:

Karen A. Cook, General Counsel, The Presidio Trust, 34 Graham Street, P.O. Box 29052, San Francisco, California 94129-0052, Telephone: 415/561-5300.

Dated: August 27, 1998.

**Karen A. Cook,**  
*General Counsel.*

[FR Doc. 98-24495 Filed 9-11-98; 8:45 am]

BILLING CODE 4310-4R-U

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40407; File No. SR-CHX-98-19]

**Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 and Amendment No. 2 to Proposed Rule Change Relating to the Qualification by Market Makers for Exempt Credit**

September 4, 1998.

### I. Introduction

On July 2, 1998, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange")

filed with the Securities and Exchange Commission ("SEC" or "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend an interpretation to Article XXXIV, Rule 26 of the CHX Rules relating to registered market makers' eligibility to receive exempt credit. The proposed rule change was published for comment in the **Federal Register** on August 4, 1998.<sup>3</sup> On July 24, 1998, the Exchange filed Amendment No. 1.<sup>4</sup> On August 28, 1998, the Exchange filed Amendment No. 2.<sup>5</sup> The Commission received no comments on the proposal. This order approves the proposed rule change. Also Amendment Nos. 1 and 2 are approved on an accelerated basis.

## II. Description of the Proposal

The purpose of the proposed rule change is to modify an interpretation regarding the use of exempt credit by market makers.<sup>6</sup> Interpretation .01 to Article XXXIV, Rule 16 sets forth certain requirements that must be met for market makers to be eligible to receive market maker exempt credit for financing their market maker transactions. Currently, one requirement for receiving market maker exempt credit for a particular issue is that 50% of the quarterly share volume in that issue recorded in a market maker account must result from transactions consummated on the Exchange or sent from the Exchange floor for execution in

another market via the Intermarket Trading System.<sup>7</sup>

The proposed rule change will include in the Interpretation the consequences for failing to meet the 50% requirement. The proposed rule change would suspend a market maker's eligibility to receive market maker exempt credit in the calendar quarter immediately following the calendar quarter in which a violation occurred for all issues in which the 50% requirement was not met (a "non-qualifying issue").<sup>8</sup>

At the beginning of every calendar quarter, the Exchange will notify market makers who failed to meet the 50% test for a particular issue or issues during the previous quarter. Market makers who are so notified by the Exchange must notify their lender in writing, with a copy of the Exchange, within three trading days of receiving such notification from the Exchange, that they are not entitled to market maker exempt credit for non-qualifying issues for remainder of the current quarter. If the lender is unable to distinguish between issues or is unable to verify that exempt credit is not being granted in non-qualifying issues, such market makers must transfer, within three trading days of the date the lender receives notification, all non-qualifying issues in their V-account to an account not entitled to market maker exempt credit and confirm with the Exchange that such action has been taken. Members that are not using market maker exempt credit and confirm with the Exchange that such action has been taken. Members that are not using market maker exempt credit must notify the Exchange of such in writing within three trading days of receiving notification and ask their lender to verify the same with the Exchange.

Once an issue becomes a non-qualifying issue for a market maker, the issue will remain a non-qualifying issue for one calendar quarter. At the end of that quarter, the market maker would be permitted to seek market maker exempt credit for the issue beginning the following quarter (assuming the market maker complies with all of the other requirements in Interpretation .01). If the market maker again fails to meet the 50% requirement for that issue, the issue will again become a non-

qualifying issue.<sup>9</sup> A market maker that exhibits chronic non-compliance with the 50% threshold may be subject to disciplinary action by the Exchange.

## III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. The Commission believes that the proposed rule change is consistent with Section 6 of the Act, in general,<sup>10</sup> and Section 6(b)(5),<sup>11</sup> in particular, in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities, 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.<sup>12</sup>

The Commission believes that registered market makers on the Exchange serve an important function inasmuch as they add depth and liquidity to the market for CHX-traded securities. Pursuant to Article XXXIV of the CHX Rules, market makers are subject to both affirmative and negative obligations,<sup>13</sup> and, in return, are accorded certain privileges, including exempt credit financing.<sup>14</sup> Accordingly,

<sup>9</sup> In order to clarify the quarterly transition from a non-qualifying issue to a qualifying issue the Exchange offers the following example in Amendment No. 1:

Suppose a market is eligible to receive market maker exempt credit in Stock A on January 1. Suppose further that on March 31, at the end of the quarter, the market maker has not met the 50% threshold. Then, Stock A will be a non-qualifying issue from the date upon which lender notification is required through June 30th. On July 1, the member would once again be eligible to receive market maker exempt credit for Stock A (so long as other requirements of Interpretation .01 are met). If the member is notified that he did not meet the 50% threshold for the quarter ending September 30th, the issue would then become a non-qualifying issue again from the date upon which lender notification is required until December 31st. On January 1 of the following year, the process would start all over again.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> U.S.C. 78f(b)(5).

<sup>12</sup> In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>13</sup> For example, under Article XXXIV, a registered market maker on the Exchange has the duty to maintain fair and orderly markets in assigned issues (Rule 1); the duty to execute at least 50% of quarterly share volume in assigned issues (Rule 3); and the duty to register separately for each security to be traded as a market maker (Rule 4).

<sup>14</sup> Under the federal securities laws and the Exchange's Rules as set forth in Article XXXIV,

Continued

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 40270 (July 28, 1998), 63 FR 41610.

<sup>4</sup> The substance of this amendment is incorporated into this order. See Letter from David T. Rusoff, Counsel, Foley & Lardner, to Katherine England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated July 23, 1998 ("Amendment No. 1").

<sup>5</sup> The substance of this amendment is incorporated into this order. See Letter from Patricia L. Levy, Senior Vice President and General Counsel, CHX, to Karl Varner, Attorney, Division, Commission, dated August 27, 1998 ("Amendment No. 2").

<sup>6</sup> In Amendment No. 2 the Exchange modified the rule language to account for Regulation T and Exchange rules. As previously drafted, the rule would have prohibited a market maker from utilizing exempt credit for all non-qualifying issues, even if exempt credit is otherwise available under Regulation T. Regulation T permits the use of exempt credit for certain broker-dealers irrespective of whether the broker-dealer is a market maker. Amendment No. 2 makes clear that once a market maker has been notified by the Exchange that an issue is a non-qualifying issue the procedures prohibit the market maker from receiving exempt credit in a market making account, but the market maker remains eligible to receive exempt credit under non-market maker accounts as provided by Regulation T and Exchange rules.

<sup>7</sup> Securities Exchange Act Release No. 40016 (May 20, 1998), 63 FR 29276 (May 28, 1998) and Securities Exchange Act Release No. 40152, (July 1, 1998), 63 FR 37159 (July 9, 1998) (clarifying the prior approval order).

<sup>8</sup> In the event that a member registers as a market maker at any time during a calendar quarter, the fifty percent requirement would apply from the date of registration to the end of that quarter.

the Commission believes it is appropriate for the Exchange to temporarily discontinue a privilege if the market maker fails to meet the minimum threshold of an affirmative obligation upon which the privilege is based.

The proposed rule change permits the Exchange to suspend a market maker's eligibility to receive market maker exempt credit in the calendar quarter immediately following the calendar quarter in which a violation occurred for all issues in which the 50% requirement was not met. The Exchange's ability to discipline market makers for failure to meet minimum quarterly share volume requirement should help ensure greater market maker compliance with the rule in the future. The Commission believes that greater compliance with the 50% minimum quarterly share volume should enhance the quality of the market for CHX-traded securities, and in turn foster investor confidence and participation in the market as well as protect investors and the public interest.

The Commission finds good cause for approving proposed Amendments Nos. 1 and 2 prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**.

Amendment No. 1 merely clarifies the quarterly transition from a qualifying to a non-qualifying issue by means of an example.<sup>15</sup> Amendment No. 2 clarifies that a market maker who does not achieve the 50% minimum quarterly share volume, while ineligible for market maker exempt credit, may still be eligible for other forms of exempt credit pursuant to Regulation T and Exchange Rules.<sup>16</sup> Amendment Nos. 1 and 2 have no substantive or procedural effect on the application of the proposed rule change, and serve to obviate potential confusion in the administration of the proposed rule change for Exchange officials, Exchange members and investors alike. For these reasons, the Commission finds good cause for accelerating approval of the proposed rule change, as amended.

Interested persons are invited to submit written data, views and arguments concerning Amendments Nos. 1 and 2, 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, 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 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-CHX-98-19 and should be submitted by October 5, 1998.

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>17</sup> that the proposed rule change (SR-CHX-98-19) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40405; File No. SR-CHX-98-18]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to the Exchange's Withdrawal of Capital Provisions

September 4, 1998.

## I. Introduction

On June 26, 1998, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Article II, Rule 6(b) of the Exchange's rules relating to the Exchange's Withdrawal of Capital provisions. The proposed rule change was published for comment in the **Federal Register** on August 4,

1998.<sup>3</sup> The Commission received no comments on the proposal.

## II. Description of the Proposal

The Exchange proposes to amend Article II, Rule 6(b) of the Exchange's rules in order to limit the applicability of the Exchange's Withdrawal of Capital provisions to member firms for which the Exchange is the Designated Examining Authority ("DEA"). The Exchange's Withdrawal of Capital provisions limit the ability of a partner in a member firm to withdraw capital from the firm. Currently, this requirement applies to both member firms for which the Exchange is the DEA as well as firms subject to examination by a self-regulatory organization ("SRO") other than the Exchange, if the member firm's DEA does not have a comparable rule. The proposed rule change would eliminate this requirement for all member firms for which the Exchange is not the DEA.

## II. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to a national securities exchange. The Commission believes that the proposed rule change is consistent with Section 6 of the Act, in general,<sup>4</sup> and Section 6(b)(5),<sup>5</sup> in particular, in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities, 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.<sup>6</sup> The Commission believes that the proposed rule change will not disturb the financial protections the CHX has in place ensure investor protection, the public interest, or the integrity of the Exchange's markets. CHX member firms, for which the Exchange is the DEA, will still be required to maintain adequate capital reserves. Under the proposed rule change the partnership articles of each member firm for which the Exchange is the DEA will still be required to contain provision requiring written approval

<sup>3</sup> Securities Exchange Act Release No. 40271 (July 28, 1998), 63 FR 41609.

<sup>4</sup> 15 U.S.C. 78f.

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

<sup>6</sup> In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

market makers are also granted special treatment and exemptions from requirements regarding net capital, position financing, and short sales for transaction effected during the course of bona fide market making.

<sup>15</sup> *Supra*, note 9.

<sup>16</sup> *Supra*, note 6.

<sup>17</sup> 15 U.S.C. 78s(b)(2).

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1994).

<sup>2</sup> 17 CFR 240.19b-4 (1998).