TABLE 2.—SERVICE BULLETINS FOR OPTIONAL TERMINATING ACTION—Continued

For model	Modification of the BDDV per airbus service bulletin	Cancels
A300–600 series airplanes	A300–32–6075.	
A310 series airplanes	A310–32–2113.	
A319, A320, and A320 series airplanes	A320–32–1200.	
A330 series airplanes	A330–32–3086.	
A340 series airplanes	A340–32–4122.	

Required Terminating Action for Repetitive Inspections for Certain Airplanes

(e) Except as provided by paragraph (f) of this AD: For Model A319, A320, and A321 series airplanes, within 12 months after the effective date of this AD, replace the BDDV cover with a new, improved cover, per Airbus Service Bulletin A320–32–1203, dated June 4, 1999. This replacement terminates the requirements of this AD for these airplanes.

(f) For Model A319, A320, and A321 series airplanes modified per Airbus Service Bulletin A320–32–1200 within the compliance time specified by paragraph (e) of this AD: Do the replacement required by paragraph (e) of this AD within 15 months after doing the modification specified by Airbus Service Bulletin A320–32–1200, or within 2 months after the effective date of this AD, whichever occurs later. This replacement terminates the requirements of this AD for these airplanes.

Alternative Methods of Compliance

(g)(1) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM–116, Transport Airplane Directorate, FAA. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, International Branch, ANM–116.

(2) Alternative methods of compliance, approved previously in accordance with AD 98–15–51, amendment 39–10678, are approved as alternative methods of compliance with the applicable requirements of this AD.

Note 5: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM–116.

Special Flight Permits

(h) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

Note 6: The subject of this AD is addressed in French airworthiness directive 2000–258–146(B), dated June 14, 2000.

Issued in Renton, Washington, on March 12, 2001.

Vi L. Lipski,

Manager, Transport Airplane Directorate,, Aircraft Certification Service.

[FR Doc. 01–6648 Filed 3–16–01; 8:45 am]

BILLING CODE 4910–13–U

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 270 and 275

[Release No. IC–24890; IA–1932; File No. S7–06–01]

RIN 3235–AI05

Electronic Recordkeeping by Investment Companies and Investment Advisers

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission is proposing for public comment amendments to revise rules under the Investment Company Act of 1940 and the Investment Advisers Act of 1940 that permit registered investment companies and registered investment advisers to preserve required records using electronic storage media such as magnetic disks, tape, and other digital storage media. The proposed amendments would expand the ability of advisers and funds to use electronic storage media to maintain and preserve records. The Commission is proposing these rule amendments in response to the enactment of the Electronic Signatures in Global and National Commerce Act, which encourages federal agencies to accommodate electronic recordkeeping.

DATES: Comments must be received on or before April 19, 2001.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549–0609. Comments also may be submitted electronically at the following E-mail address: rule-comments@sec.gov. All comment letters should refer to File No. S7–06–01; this file number should be included on the subject line if E-mail is used. Comment letters will be available for public inspection and copying in the Commission's Public Reference Room, 450 5th Street, NW., Washington, DC. Electronically submitted comment letters also will be posted on the Commission's Internet web site (http://www.sec.gov).[1]

FOR FURTHER INFORMATION CONTACT: William C. Middlebrooks, Jr., Attorney, or Martha B. Peterson, Special Counsel, Office of Regulatory Policy, (202) 942–0690, Division of Investment Management, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549–0506.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission (''Commission'') today is requesting public comment on proposed amendments to rule 31a–2 [17 CFR 270.31a–2] under the Investment Company Act of 1940 [15 U.S.C. 80a] (the ''Investment Company Act''), and rule 204–2 [17 CFR 275.204–2] under the Investment Advisers Act of 1940 [15 U.S.C. 80b] (the ''Advisers Act'').[2]

Executive Summary

The federal securities laws require registered investment companies (''funds''), registered investment advisers (''advisers''), and others to make and keep books and records. The recordkeeping requirements are a key part of the Commission's investment company and investment adviser regulatory program because they allow us to monitor the operations of funds and advisers and to evaluate their compliance with the federal securities laws.

Last year, Congress passed the Electronic Signatures in Global and National Commerce Act (''Electronic Signatures Act,'' ''Act,'' or ''ESIGN'') to

[1] We do not edit personal, identifying information, such as names or E-mail addresses, from electronic submissions. Submit only information you wish to make publicly available.

[2] Unless otherwise noted, all references to rule 31a–2 or rule 204–2, or to any paragraph of those rules, will be to 17 CFR 270.31a–2 and 17 CFR 275.204–2, respectively.

facilitate the use of electronic records and signatures in interstate and foreign commerce.[3] Consistent with the purpose and goals of the Electronic Signatures Act, we are proposing rule amendments to expand the circumstances under which funds and advisers may keep their records on electronic storage media. We are also proposing amendments to clarify and update our recordkeeping rules.

I. Discussion

A. Amendments to Rules 31a–2 and 204–2

Rules 31a–2 and 204–2 provide that funds and advisers may keep records on electronic storage media only if the records were originally created or received in an electronic format.[4] The Commission's staff has issued no-action letters that conditionally permit funds and advisers to convert records into an electronic format and retain them electronically.[5] We are proposing amendments to the recordkeeping rules that would incorporate these no-action letters, but would eliminate many of the conditions that apply only to electronic archives of non-electronic originals.[6] As a result, electronic records, regardless of how they originated, would be subject to uniform requirements.

The standards for electronic recordkeeping we are proposing for advisers and funds are different from rules we have adopted for broker-dealers, which require brokerage records to be preserved in a non-rewriteable, non-erasable (''WORM'') format.[7] We understand that use of WORM would require most advisers and funds to invest in new electronic recordkeeping technologies. Such costs may not be justified in light of the limited problems we have experienced with funds and advisers altering stored records. Moreover, most advisory and mutual fund arrangements involve multiple parties (*e.g.*, brokers, custodians, transfer agents), each with its own, often parallel, recordkeeping requirement. As a result, our compliance examiners typically have an alternative means to verify the accuracy of adviser and fund records. Comment is requested on our assessment of the costs and benefits of requiring records to be stored using WORM format.

We are also proposing to amend the recordkeeping rules to clarify the obligation of funds and advisers to provide copies of their records to Commission examiners. Currently the rules require that funds and advisers ''promptly provide'' on request any ''facsimile enlargement'' of a photographic record or ''computer printout or copy'' of a computer storage medium.[8] The proposed amendments would make clear that (i) ''provide promptly'' means in no case more than one business day after the request;[9] (ii) printouts or copies of a storage medium include legible, true, and complete printouts or copies of the records (or the information necessary to generate the records) in the medium and format in which they are stored;[10] and (iii) the adviser or fund must provide a means to access, search, view, sort, and print the records.[11] Finally, we are proposing to adopt technical amendments that incorporate the terminology used in electronic recordkeeping rules under the Securities Exchange Act of 1934 into rules 31a–2 and 204–2.[12] Comment is requested on these proposals. Should our rules be amended in other ways to accommodate electronic recordkeeping?

B. Interpretation of Electronic Signatures Act

Under the Electronic Signatures Act, an agency's recordkeeping requirements may be met by retaining electronic records that accurately reflect the information set forth in the record, and remain accessible to all persons who are entitled to access, in a format that can be accurately reproduced.[13] The Act allows us to interpret this provision pursuant to our authority under the Investment Company and Advisers Acts.[14] We anticipate that upon adoption of these amendments we will interpret the Electronic Signatures Act as requiring funds and advisers to comply with rules 31a–2 and 204–2 when they keep electronic records. As a result, compliance with rules 31a–2 and 204–2 would be the exclusive means by which funds and advisers could comply

[3] Electronic Signatures in Global and National Commerce Act, Pub. L. No. 106–229, 114 Stat. 464 (2000) [15 U.S.C. 7001], Preamble.

[4] Section 31(a) of the Investment Company Act authorizes the Commission to prescribe by rule the books and records that a fund and its adviser, depositor, and principal underwriter must maintain. 15 U.S.C. 80a–30(a). Rule 31a–1 [17 CFR 270.31a–1] under the Investment Company Act specifies the types of records that must be kept. Rule 31a–2 specifies where and for how long these records must be kept. Section 204 of the Advisers Act authorizes the Commission to adopt rules requiring advisers to make and keep records. 15 U.S.C. 80b–4. Rule 204–2 specifies the records that registered advisers must make and keep. Rule 31a–2(f)(2) and rule 204–2(g)(2) provide that a fund or adviser may maintain and preserve on magnetic tape, disk, or other computer storage medium records that, in the ordinary course of the entity's business, are created by the entity on electronic media or are received by the entity on electronic media or by electronic data transmission. Rule 31a–2(f)(2) also provides that records created on electronic media in the ordinary course of business on behalf of a fund, or received on behalf of a fund on electronic media or by electronic data transmission, may be maintained and preserved on a computer storage medium. Both rule 31a–2 and rule 204–2 permit many records to be reproduced and preserved on micrographic or electronic storage media. In general, if a fund or adviser uses one of these media, it must: (i) Arrange the records and index the storage medium to permit access to the records; (ii) be able to provide a facsimile enlargement of the micrographic storage medium, or computer printout or copy of the electronic storage medium; (iii) separately store a duplicate copy of the record; (iv) establish procedures for maintaining, preserving, and providing access to records stored on electronic storage media in order to safeguard them reasonably from loss, alteration, or destruction; and (v) have facilities to project and photocopy enlargements of micrographic records. Rule 31a–2(f)(1) and rule 204–2(g)(1).

[5] *See* Oppenheimer Management Corporation, SEC No-Action Letter (Aug. 28, 1995); DST Systems, Inc., SEC No-Action Letter (Feb. 2, 1993).

[6] Proposed rule 31a–2(f)(3) and proposed rule 204–2(g)(3). Funds and advisers would be required to have procedures to assure that any electronic reproduction of a non-electronic original is complete, accurate, and legible. Proposed rule 31a–2(f)(3)(iii) and proposed rule 204–2(g)(3)(iii).

[7] Rule 17a–4(f)(2)(ii)(A) under the Securities Exchange Act of 1934 [17 CFR 240.17a–4]. Non-rewriteable, non-erasable formats are also known as ''write once, read many'' or ''WORM'' formats.

[8] Rule 31a–2(f)(1)(ii) and rule 204–2(g)(1)(ii).

[9] Proposed rule 31a–2(f)(2)(ii) and proposed rule 204–2(g)(2)(ii). When rules 31a–2 and 204–2 were amended to permit funds and advisers to maintain their records electronically, we made clear that it was our expectation that, absent ''unusual circumstances'' computer-stored records would be provided within 24 hours of a request, and that there would be many circumstances in which funds and advisers would be able to, and therefore would be required to, provide records immediately or within a few hours of a request. *See* Investment Company Act; Use of Magnetic Tape, Disk, or Other Computer Storage Medium, Investment Company Act Rel. No. 15410 (Nov.13, 1986) [51 FR 42207 (Nov. 24, 1986)]; Amendment to Investment Advisers Act Recordkeeping Rule, Investment Advisers Act Rel. No. 952 (Jan. 11, 1985) [50 FR 2542 (Jan. 17, 1985)]. We have changed this requirement to one business day to take holidays and weekends into consideration. This change is not intended to alter the general requirement that records be provided within 24 hours of a request. Thus, for example, records requested at 2:00 p.m. on one business day would have to be provided no later than 2:00 p.m. on the next business day.

[10] Proposed rule 31a–2(f)(2)(ii)(A) and (B) and proposed rule 204–2(g)(2)(ii)(A) and (B). These amendments make clear that a fund or adviser that stores records electronically must provide Commission examiners, on request, an *electronic* copy of the records. An example of information necessary to generate a record would be software that is used with a relational database to generate a required record.

[11] Proposed rule 31a–2(f)(2)(ii)(C) and proposed rule 204–2(g)(2)(ii)(C). This provision would eliminate the need for the current requirement that funds and advisers have facilities for immediate, easily readable projection of micrographic storage media and for producing easily readable enlargements, and we are proposing to eliminate that requirement. *See* rule 31a–2(f)(1)(v) and rule 204–2(g)(1)(v).

[12] Rules 31a–2(f)(1) and 204–2(g)(1) currently refer to records stored on ''computer storage media'' and as ''photographs on film.'' Consistent with the terms used in rule 17a–4(f)(1), proposed rule 31a–2(f)(1) and proposed rule 204–2(g)(1) would refer to records stored on ''micrographic media'' and ''electronic storage media.''

[13] ESIGN section 101(d)(1).

[14] ESIGN section 104(b)(1).

with the Act's standards of accuracy and accessibility.

Our interpretation of the Electronic Signatures Act must be based on findings that (i) our interpreting regulations are substantially justified; (ii) the methods selected to carry out our purposes are substantially equivalent to the requirements imposed on records that are not electronic records and will not impose unreasonable costs on the acceptance and use of electronic records; and (iii) the methods selected to carry out our purposes do not require, or accord greater legal status or effect to, the implementation or application of a specific technology or technical specification for performing the functions of creating, storing, generating, receiving, communicating, or authenticating electronic records or electronic signatures.[15]

The Electronic Signatures Act's principles of accuracy and accessibility are consistent with the requirements of rules 31a–2 and 204–2. Our requirements that funds and advisers store separately duplicate copies of their records, and maintain procedures to safeguard them from loss, alteration, or destruction protect the integrity of the records and assure that the records are ''accurate.'' If a fund or adviser separately stores a duplicate copy of its records, then if one copy is altered or damaged there will still be an accurate backup copy. Procedures to safeguard records from loss, alteration, or destruction make it possible for funds, advisers, and us to be reasonably confident that the records have not been changed in ways that cannot otherwise be detected. Our requirements that funds and advisers arrange and index records, and that they be ready to provide printouts or copies of the records, make those records accessible. Funds and advisers keep many records. Those records are not truly accessible unless there is an index system that makes it possible to find a particular record. The records are also not truly accessible if they cannot be printed out or copied for later use.

We request comment on whether rules 31a–2 and 204–2, as proposed to be amended, are consistent with the requirements of the Electronic Signatures Act.

II. General Request for Comments

We request comment on the proposed rule amendments that are the subject of this release, suggestions for additional provisions or changes to the rules, and comments on other matters that might have an effect on the proposals contained in this release. We request comment whether the proposals, if adopted, would promote efficiency, competition, and capital formation.[16]

III. Cost/Benefit Analysis

We are considering the costs and the benefits of the proposed amendments to rules 31a–2 and 204–2. We encourage commenters to discuss any costs or benefits of the proposal. The primary benefit of the amendments is the improved transparency and flexibility of our recordkeeping rules.

We do not believe the proposals will impose any costs on funds or advisers. As described above, the proposals would allow funds and advisers to maintain records in compliance with the relevant recordkeeping requirements in electronic storage media, regardless of whether the record was created or received electronically or otherwise. Electronic storage is optional under the proposals. We assume that funds and advisers will not opt for the electronic storage option provided for in the proposals unless doing so is cheaper (or otherwise more efficient and, therefore, supported by business considerations). By contrast, we believe that there may be significant benefits to the proposals. As stated, because using electronic storage media is optional, we do not believe that funds or advisers will employ such media unless the benefits conferred by the option outweigh the costs and, therefore, electronic storage makes good business sense. It is our belief, therefore, that the proposals, if adopted, would allow funds and advisers greater flexibility to make (business) decisions about recordkeeping and, when appropriate, opt for electronic storage with potential cost savings and other benefits.

We request comment on the costs and benefits of the proposed rule amendments and invite commenters to submit their own estimates of costs and benefits that would result from the proposal. In order to evaluate fully the costs and benefits associated with the proposed amendments, we request that commenters' estimates of the costs and benefits of the proposed amendments be accompanied by specific empirical data supporting their estimates.

IV. Paperwork Reduction Act

The proposals do not require a new collection of information. They affect only the manner in which registrants can store the information that must be collected under rules 31a–2 and 204–2. In connection with rules 31a–2 and 204–2, the Commission submitted to the Office of Management and Budget, pursuant to the Paperwork Reduction Act, a request for approval and received OMB control numbers for the rules, OMB Control Nos. 3235–0179 (rule 31a–2) and 3235–0278 (rule 204–2).

V. Summary of Initial Regulatory Flexibility Analysis

The Commission has prepared an Initial Regulatory Flexibility Analysis (''IRFA'') in accordance with 5 U.S.C. 603 regarding amendments to rule 31a–2 under the Investment Company Act and rule 204–2 under the Advisers Act. The following summarizes the IRFA.

Our rules under the Investment Company Act and Advisers Act require registered funds and registered advisers to retain certain books and records. Rule 31a–2 and rule 204–2 allow funds and advisers to store these records on electronic storage media, provided they were created or received in an electronic format. The Electronic Signatures Act states that federal recordkeeping requirements may be met by retaining electronic records of the information required to be maintained so long as the electronic record is accurate and accessible to those entitled to access it.[17] We are proposing to amend rules 31a–2 and 204–2 to allow funds and advisers to store non-electronic originals electronically.[18] Electronic storage of required books and records is not mandatory, rather it is an option for funds and advisers who find it cost-effective.

The Regulatory Flexibility Act requires us to consider the potential effect of our rulemaking on small entities. For purposes of the Investment Company Act, a ''small entity'' is ''an investment company that, altogether with other investment companies in the same group of related investment companies, has net assets of $50 million or less as of the end of its most recent

[15] ESIGN section 104(b)(2)(C).

[16] Section 2(c) of the Investment Company Act requires the Commission, when it engages in rulemaking and is required to consider whether an action is consistent with the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. 15 U.S.C. 80a–2(c). Both section 31 of the Investment Company Act [15 U.S.C. 80a–30], under which we are proposing to adopt amendments to rule 31a–2, and section 204 of the Advisers Act [15 U.S.C. 80b–4], under which we are proposing to adopt amendments to rule 204–2, require us to consider whether the proposed rules are necessary or appropriate in the public interest or for the protection of investors.

[17] ESIGN section 101(d)(1)(A), (B). ESIGN allows us to interpret this provision.

[18] The amendments to rule 31a–2 are proposed by the Commission under the authority set forth in sections 31 and 38(a) of the Investment Company Act and to amend rule 204–2 under the authority set forth in sections 204, 206(4), and 211 of the Advisers Act.

fiscal year.'' [19] For purposes of the Advisers Act, an investment adviser generally is a small entity if it (i) manages less than $25 million in assets, (ii) has total assets of less than $5 million on the last of its most recent fiscal year, and (iii) does not control, is not controlled by, and is not under common control with another investment adviser that manages $25 million or more in assets, or any person that had total assets of $5 million or more on the last day of the most recent fiscal year.[20]

We estimate that there are approximately (1) 3,610 active registered management investment companies, of which 203 are small entities, and (2) 762 unit investment trusts, of which 12 are small entities. We further estimate that approximately 1,500 out of 8,100 investment advisers registered with us are small entities. All registered investment companies (including management investment companies and unit investment trusts) and all registered advisers are subject to the recordkeeping requirements of rule 31a–2 and rule 204–2, respectively. They all could be affected by the amendments we are proposing.

The IRFA states that all registered advisers and funds that choose to store required records electronically will be subject to the proposed rule amendments. There are no rules that duplicate, overlap, or conflict with the proposed amendments. We anticipate that small entities will benefit from the proposed rule amendments, because electronic record maintenance may be more affordable and efficient than paper or micrographic storage. Moreover, as electronic storage is not mandated, we assume that funds and advisers will choose to store records electronically only if it would be cost-effective.

The Commission encourages comments on the matters discussed in the IRFA. Comment is requested on the number of small entities that would be affected by the proposed amendments, and the likely impact on those small entities. Specifically, commenters are requested to describe the nature of the amendments' impact on the small entities and to provide empirical data supporting the extent of the impact. We also request comment on how many small entities will choose to store their records electronically. The comments will be placed in the same public file as comments on the proposed rule amendments. A copy of the IRFA may be obtained by contacting William C. Middlebrooks, Jr., (202) 942–0690, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549–0506.

[19] 17 CFR 270.0–10.

[20] 17 CFR 275.0–7.

Statutory Authority

The Commission is proposing amendments to rule 31a–2 of the Investment Company Act pursuant to authority set forth in sections 31 and 38(a) of the Investment Company Act [15 U.S.C. 80a–30 and 80a–37(a)].

The Commission is proposing amendments to rule 204–2 of the Advisers Act pursuant to authority set forth in sections 204, 206(4), and 211 of the Advisers Act [15 U.S.C. 80b–4, 80b–6(4), and 80b–11].

List of Subjects

17 CFR Part 270

Investment companies, Reporting and recordkeeping requirements, Securities.

17 CFR Part 275

Reporting and recordkeeping requirements, Securities.

Text of Proposed Rule Amendments

For reasons set forth in the preamble, title 17, Chapter II of the Code of Federal Regulations is proposed to be amended as follows:

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

1. The Authority citation for part 270 continues to read in part as follows:

Authority: 15 U.S.C. 80a–1 *et seq.*, 80a–34(d), 80a–37, 80a–39, unless otherwise noted;

* * * * *

2. Section 270.31a–2 is amended by:

a. Revising paragraphs (f)(1) and (f)(2);

b. Redesignating paragraph (f)(3) as (f)(4); and

c. Adding a new paragraph (f)(3) to read as follows:

§ 270.31a–2 Records to be preserved by registered investment companies, certain majority-owned subsidiaries thereof, and other persons having transactions with registered investment companies.

* * * * *

(f)(1) *Micrographic and electronic storage permitted.* The records required to be maintained and preserved under § 270.31a–1(a) through (d) and paragraphs (a) through (c) of this section may be maintained and preserved for the required time by, or on behalf of, an investment company on:

(i) Micrographic media, including microfilm, microfiche, or any similar medium; or

(ii) Electronic storage media, including any digital storage medium or system that meets the terms of this section.

(2) *General requirements.* The investment company, or person that maintains and preserves records on its behalf, must:

(i) Arrange and index the records in a way that permits easy location, access, and retrieval of any particular record;

(ii) Provide promptly (but in no case more than one business day after the request) any of the following that the Commission (by its examiners or other representatives) or the directors of the company may request:

(A) A legible, true, and complete copy of the record (or the information necessary to generate the record) in the medium and format in which it is stored;

(B) A legible, true, and complete printout of the record; and

(C) Means to access, search, view, sort, and print the records; and

(iii) Separately store, for the time required for preservation of the original record, a duplicate copy of the record stored on the micrographic or electronic storage media or any medium allowed by this rule.

(3) *Special requirements for electronic storage media.* In the case of records on electronic storage media, the investment company, or person that maintains and preserves records on its behalf, must establish and maintain procedures:

(i) To maintain and preserve the records, so as to reasonably safeguard them from loss, alteration, or destruction;

(ii) To limit access to the records to properly authorized personnel, the directors of the investment company, and the Commission (including its examiners and other representatives); and

(iii) To reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

* * * * *

PART 275—RULES AND REGULATIONS, INVESTMENT ADVISERS ACT OF 1940

3. The authority citation for part 275 continues to read in part as follows:

Authority: 15 U.S.C. 80b–2(a)(ii)(F), 80b–2(a)(17), 80b–3, 80b–4, 80b–6(4), 80b–6a, 80b–11, unless otherwise noted.

* * * * *

4. The authority citation following § 275.204–2 is removed.

5. Section 275.204–2 is amended by revising paragraphs (g)(1) and (g)(2); and adding paragraph (g)(3), to read as follows:

§ 275.204–2 Books and records to be maintained by investment advisers.

* * * * *

(g)(1) *Micrographic and electronic storage permitted.* The records required to be maintained and preserved pursuant to this section may be maintained and preserved for the required time by an investment adviser on:

(i) Micrographic media, including microfilm, microfiche, or any similar medium; or

(ii) Electronic storage media, including any digital storage medium or system that meets the terms of this section.

(2) *General requirements.* The investment adviser must:

(i) Arrange and index the records in a way that permits easy location, access, and retrieval of any particular record;

(ii) Provide promptly (but in no case more than one business day after the request) any of the following that the Commission (by its examiners or other representatives) may request:

(A) A legible, true, and complete copy of the record (or the information necessary to generate the record) in the medium and format in which it is stored;

(B) A legible, true, and complete printout of the record; and

(C) Means to access, search, view, sort, and print the records; and

(iii) Separately store, for the time required for preservation of the original record, a duplicate copy of the record stored on the micrographic or electronic storage media or any medium allowed by this rule.

(3) *Special requirements for electronic storage media.* In the case of records on electronic storage media, the investment adviser must establish and maintain procedures:

(i) To maintain and preserve the records, so as to reasonably safeguard them from loss, alteration, or destruction;

(ii) To limit access to the records to properly authorized personnel and the Commission (including its examiners and other representatives); and

(iii) To reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

* * * * *

Dated: March 13, 2001.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–6662 Filed 3–16–01; 8:45 am]

BILLING CODE 8010–01–U

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

[CGD08–01–003]

RIN 2115–AE47

Drawbridge Operation Regulation; Terrebonne Bayou, LA

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to change the operating schedules for three bridges across Terrebonne Bayou at Houma, Terrebonne Parish, LA. The proposed rule would establish the same operating schedule for all three draws to facilitate the flow of vehicular traffic during rush hours while still meeting the reasonable needs of navigation. The new schedule will provide a safe, continuous vessel passage through all three draws. This action is expected to relieve the bridge owner from the requirement to separately man each bridge by using roving drawtenders to operate the bridges when necessary.

DATES: Comments and related material must reach the Coast Guard on or before May 18, 2001.

ADDRESSES: You may mail comments to Commander (ob), Eighth Coast Guard District, 501 Magazine Street, New Orleans, Louisiana 70130–3396, or deliver them to room 1313 at the same address above between 7 a.m. and 4 p.m., Monday through Friday, except Federal holidays. The Commander, Eighth Coast Guard District, Bridge Administration Branch maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at the Bridge Administration Branch, Eighth Coast Guard District between 7 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mr. David Frank, Bridge Administration Branch, at the address given above, or telephone (504) 589–2965.

SUPPLEMENTARY INFORMATION:

Request for Comments

The Coast Guard encourages interested parties to participate in this rulemaking by submitting written data, views, or arguments. Persons submitting comments should include their names and addresses, identify this rulemaking (CGD08–01–003), and the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and attachments in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you would like confirmation of receipt of your comments, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of comments received.

Public Meeting

We do not now plan to hold a public meeting. You may submit a request for a public meeting by writing to the Commander, Eighth Coast Guard District, Bridge Administration Branch at the address under **ADDRESSES** explaining why a public meeting would be beneficial. If we determine that a public meeting would aid this rulemaking, we will hold one at a time and place to be announced by notice in the **Federal Register**.

Background and Purpose

The S3087 Bridge, mile 33.9, the newly constructed Howard Avenue Bridge, mile 35.0, and the Daigleville Bridge, mile 35.5 all lie within a 1.6 mile section on Terrebonne Bayou. These three bridges are currently on three different operating schedules, which requires the owner to crew them at various times. Due to the close proximity of the bridges to one another and the low volume of waterway traffic, the Department of Transportation and Development (DOTD) for the State of Louisiana has requested that the Coast Guard revise the regulations in 33 CFR 117.505 that governs the S3087 and Daigleville Bridges. DOTD would like to include the Howard Avenue Bridge, which currently opens on signal at any time for the passage of vessels, and place all three bridges under the same operating schedule.

With all three bridges on the same schedule, and because they are located so close together, DOTD can operate all three bridges with a roving crew or a single draw-tender.

Discussion of Proposed Rule

Currently, all three drawbridges, the S3087 Bridge (33 CFR 117.505(c)), the Howard Avenue Bridge, and the Daigleville Bridge (33 CFR 117.505(d)) across Terrebonne Bayou are required to open on signal during the day. However, both the S3087 Bridge and Daigleville Bridge have drawbridge operation regulations that require a four-hour advance notice be given. The S3087