Dated: July 2, 2001.

Beth M. McCormick,

Advisory Committee Management Officer, National Aeronautics and Space Administration.

[FR Doc. 01–16993 Filed 7–6–01; 8:45 am]

BILLING CODE 7510–01–P

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice (01–084)]

Privacy Act: Report of New System

AGENCY: National Aeronautics and Space Administration (NASA).

ACTION: Notice of New System of Records.

SUMMARY: Each Federal agency is required by the Privacy Act of 1974 to publish a description of the systems of records it maintains containing personal information when a system is substantially revised, deleted, or created. In this notice, NASA provides the required information for a new system of records used to collect information provided by users of Marshall Space Flight Center (MSFC) public Internet Web sites.

DATES: The effective date of this notice is July 9, 2001. Comments must be received in writing on or before August 8, 2001.

ADDRESSES: Office of the Chief Information Officer, Code AO, NASA Headquarters, 300 E Street SW., Washington, DC 20546–0001.

FOR FURTHER INFORMATION CONTACT: Roland Ridgeway, 202–358–4485.

Roland M. Ridgeway, Jr.,

Acting NASA Privacy Act Officer.

NASA 61IWSR

SYSTEM NAME:

MSFC Internet Web Site Record System.

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

George C. Marshall Space Flight Center, National Aeronautics and Space Administration, Marshall Space Flight Center, AL 35812

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Users of MSFC public internet Web sites who submit information to MSFC over the internet or otherwise, and parents/guardians and teachers who provide information pursuant to MSFC's implementation of the Children's Online Privacy Protection Act (COPPA) or other child protection measures.

CATEGORIES OF RECORDS IN THE SYSTEM:

All information provided by users of MSFC public Internet Web sites such as name, e-mail address, date of birth, mailing address, school, grade level, employment, artwork, written submissions, and information provided by the parents/guardians and teachers of users pursuant to COPPA or other child protection measures.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

42 U.S.C. 2473(c)(8); 44 USC 3101; 15 U.S.C. 6502(b); 16 CFR 312.3–312.8

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:

The following are routine uses (1) Provide information to MSFC contractors who will administer the MSFC Web sites; (2) Communicate with teachers of children who use the sites; (3) Disclosure to members of the public of student-generated material; (4) generate statistics regarding the demographics of users, (5) Law Enforcement, (6) disclose as a 'routine use' to a Federal, State, or local agency maintaining civil, criminal, or other relevant enforcement information, (7) disclose to a Federal agency, in response to its request, in connection with the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter, and (8) Court or other formal proceedings.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Stored as electronic media.

RETRIEVABILITY:

Records may be searched by name, e-mail address, or birthdate.

SAFEGUARDS:

During business hours, paper records are maintained in areas accessible only to authorized NASA and NASA contractor personnel. Electronic records are accessible via passwords from workstations located in attended offices. After business hours, buildings have security guards and secured doors.

RETENTION AND DISPOSAL:

Records are maintained in Agency files for varying periods of time depending on the need for use of the records. Records collected pursuant to COPPA Section 1303(b)(2)(A), (B), (C), and (D) will be destroyed as soon as possible, but no later than 90 days after the collection of the data. Records collected pursuant to other provisions of COPPA will be destroyed upon the request of the user or the parent/guardian of children who use the site, or not later than 5 years after date of last entry on the record. All other records will be destroyed 5 years after date of last entry on the record per the National Archives and Records Administration's General Records Schedule 14, Item 24(a).

SYSTEM MANAGER AND ADDRESS:

AD03/Chief Information Officer, George C. Marshall Space Flight Center, National Aeronautics and Space Administration, Marshall Space Flight Center, AL 35812

NOTIFICATION PROCEDURE:

Individuals interested in inquiring about their records should notify the System Manager at the address given above.

RECORD ACCESS PROCEDURES:

Individuals who wish to gain access to their records should submit their request in writing to the System Manager at the address given above.

CONTESTING RECORD PROCEDURES:

The NASA regulations governing access to records, procedures for contesting the contents and for appealing initial determinations are set forth in 14 CFR part 1212.

RECORD SOURCE CATEGORIES:

The information is submitted by users of MSFC public Internet Web sites.

[FR Doc. 01–17028 Filed 7–6–01; 8:45 am]

BILLING CODE 7510–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27424]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

June 29, 2001.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the

Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 24, 2001, to the Secretary, Securities and Exchange Commission, Washington, DC 20549–0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After July 24, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Ameren Corp. (70–9877)

Ameren Corporation (''Ameren''), a registered holding company, 1901 Chouteau Avenue, St. Louis, Missouri 63103, has filed a declaration under sections 6(a), 7, and 12(b) of the Act and rules 45(a) and 54 under the Act, requesting approval for a new program of external financing and credit support arrangements. This new program would replace certain authorizations that the Commission has previously granted.

Ameren requests authority to issue and sell through September 30, 2004 (''Authorization Period'') up to $2.5 billion at any time outstanding (''Securities Limit'') of the following types of securities: common stock (''Common Stock''); [1] options, warrants and other stock purchase rights exercisable for Common Stock (collectively, ''Purchase Rights''); unsecured, long-term debt securities (''Long-Term Debt''); and preferred stock (''Preferred Stock'') and other preferred or equity-linked securities (''Equity-Linked Securities''). These securities, further described below, would be sold at rates or prices and under conditions negotiated or based upon, or otherwise determined by, competitive capital markets.

Common Stock would be sold through underwriters,[2] dealers,[3] agents, or to a limited number of purchasers directly. Ameren might also issue Common Stock in publicly or privately negotiated transactions, as consideration for the equity securities or assets of other companies.[4]

Purchase Rights may be issued in one or more series and, like Common Stock, may be issued to acquire equity securities or assets in transactions that have been authorized by the Commission or are exempt under the Act. Ameren may issue Purchase Rights directly.

Ameren would issue Long-Term Debt directly, or indirectly through one or more subsidiaries organized to facilitate the issuance and sale of long-term debt or equity securities (''Financing Subsidiaries'').[5] Long-Term Debt would have maturities ranging from one to fifty years,[6] and would bear interest at a rate not to exceed at the time of issuance 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term equal to the average life of the Long-Term Debt or, if no such Treasury security is outstanding, the yield to maturity of a thirty-year U.S. Treasury Bond.

Ameren would issue Preferred Stock directly. Ameren states that Equity-Linked Securities typically combine a security with a fixed obligation (such as preferred stock or debt) with a feature that requires or allows conversion into shares of Common Stock within a relatively short period. These instruments may be tax advantaged. Equity-Linked Securities include trust preferred securities, and debt or preferred securities that are converted or convertible (at the holder's option) into Common Stock and forward purchase contracts for Common Stock. Equity-Linked Securities would be issued either directly by Ameren or one or more Financing Subsidiaries. Both Preferred Stock and Equity Linked Securities would be issued in one or more series. The rights, preferences, and priorities of each series will be designated in the instrument creating each series of securities. These instruments would be redeemed no later than fifty years after the date of issuance unless it is converted into Common Stock, as is possible with Equity-Linked Securities. The dividend rates on Preferred Stock and Equity-Linked Securities would not, at the time of issuance, exceed 700 basis points over the yield to maturity of a U.S. Treasury security having a remaining term equal to the term of such securities or, if no such Treasury security is outstanding, the yield to maturity of a thirty-year U.S. Treasury Bond.

Ameren also requests authority to issue through the Authorization Period up to 25 million shares of Common Stock through stock-based plans that it maintains or will maintain, directly or indirectly, for shareholders, investors, employees, and non-employee directors (collectively, ''Ameren Plans'').[7]These proposed shares of Common Stock would not count against the Securities Limit. Shares of Common Stock issued through the Ameren Plans would either be newly issued shares, treasury shares, or shares purchased in the open market.[8]

In addition, Ameren requests authority to issue and sell, through the Authorization Period, directly or indirectly through one or more Financing Subsidiaries, up to an

[1] Ameren is currently authorized to issue up to an aggregate amount of $25 million of Common Stock for general corporate purposes (other than for use under Ameren's dividend reinvestment and employee benefit plans, further described below). *See Ameren Corp.,* HCAR No. 26841 (March 13, 1998), *as modified by Ameren Corp.,* HCAR No. 27011 (April 26, 1999) (collectively, ''Current Financing Order'').

[2] Common Stock may be sold to underwriters for their own account and resold in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the times of resale. If Common Stock is sold in an underwritten offering, Ameren may grant the underwriters a ''green shoe'' option, permitting the purchase from Ameren at the same price of additional shares solely for the purpose of covering over-allotments.

[3] Ameren may sell Common Stock to dealers, as principals. Those dealers may then resell that Common Stock to the public at varying prices they determine at the times of resale.

[4] Ameren states that these acquisitions would be either expressly authorized in a separate proceeding or exempt under the Act or the rules under the Act.

[5] The Commission authorized Ameren to acquire Financing Subsidiaries through December 31, 2003. *See Ameren Corp.,* HCAR No. 27053 (July 23, 1999) (''Restructuring Order'').

[6] Currently, Ameren is authorized to issue and sell up to an aggregate principal amount of $300 million at any one time outstanding of unsecured notes having maturities of more than one year and up to forty years (''Debentures''), subject to an overall limit of $1.5 billion in short-term debt and Debentures. *See* Current Financing Order.

[7] At present, Ameren maintains the following stock-based plans: (1) Ameren's dividend reinvestment and stock purchase plan (''DRPlus''); (2) Ameren's long-term incentive plan (''1998 Incentive Plan''); (3) Ameren's employee savings investment plan (''SIP''); (4) Ameren's two investment savings plans that permit employees of Central Illinois Public Service Company (''AmerenCIPS''), its direct public-utility company subsidiary, and Ameren Energy Generating Company, an ''energy-related company as that term is defined by rule 58 under the Act, who are members of certain collective bargaining units to defer federal income taxes on contributions to the plans and the earnings on those contributions (collectively, ''Union Investment Plans''). Ameren is authorized to issue up to 15 million shares of Common Stock through December 30, 2002 under the DRPlus, SIP, and Union Investment Plans, *see Ameren Corp.,* HCAR No. 26809 (December 30, 1997), and up to 4 million shares of Common Stock through March 31, 2003 under the 1998 Incentive Plan. *See Ameren Corp.,* HCAR No. 26862 (April 24, 1998).

[8] Ameren open-market purchases of Common stock would be made in accordance with the terms of, or in connection with, the operation of the Ameren Plans under rule 42.

aggregate principal amount at any time outstanding of $1.5 billion in commercial paper and other short-term debt securities (collectively, ''Short-Term Debt'').[9] Short-Term Debt would have maturities of less than one year. The effective cost of money on all Short-Term Debt would not exceed 300 basis points over the London Interbank Offered Rate. Commercial paper would be sold in established domestic or European commercial paper markets. Typically, commercial paper would be sold to dealers at the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturities sold to commercial paper dealers generally. It is expected that the acquiring dealers would re-offer it at a discount to corporate, institutional and, with respect to European commercial paper, individual investors.[10] Short-Term Debt may also include back-up credit lines with banks or other institutional lenders established and maintained to support its commercial paper program(s) and other credit arrangements and/or borrowing facilities.[11]

Ameren requests authority to provide guaranties and other forms of credit support (''Guaranties'') on behalf or for the benefit of its direct and indirect nonutility subsidiaries (''Nonutility Subsidiaries''), in an aggregate principal or nominal amount that would not exceed $1.5 billion at any one time outstanding (''Guaranty Limit'').[12] Securities issued by Financing Subsidiaries of Ameren that are guaranteed or supported by other forms of credit enhancement provided by Ameren would not count against the Guaranty Limit. Guaranties would be provided to cover the debt or contractual obligations of any Nonutility Subsidiary as may be appropriate in the ordinary course of the subsidiary's business. Guaranties may be in the form of formal credit enhancement agreements, including ''keep well'' agreements and reimbursement undertakings under letters of credit. Ameren may charge a fee for each Guaranty it provides. Those fees would not exceed the cost, if any, of obtaining the liquidity necessary to perform the Guaranty for the period of time the Guaranty remains outstanding.

Ameren requests authority directly, or indirectly through any Financing Subsidiary, to enter into hedging transactions with respect to existing indebtedness (''Interest Rate Hedges'') using financial instruments commonly used in today's capital markets, such as interest rate swaps, caps, collars, floors, and structured notes (*i.e.,* a debt instrument in which the principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities. Interest Rate Hedges would be used to reduce or manage the effective interest rate cost. These transactions would be for fixed periods and stated notional amounts, and would be entered into only with counterparties (''Approved Counterparties'') whose senior debt ratings, or the senior debt ratings of the parent companies of the counterparties, as published by Standard and Poor's Ratings Group, are equal to or greater than BBB, or an equivalent rating from Moody's Investors Service or Fitch, Inc. Fees, commissions, and other amounts payable to an Approved Counterparty or exchange (excluding, however, the swap or option payments) in connection with an Interest Rate Hedge would not exceed those generally obtainable in competitive markets for parties of comparable credit quality.

Ameren also requests authority directly, or indirectly through any Financing Subsidiary, to enter into hedging transactions with respect to anticipatory debt issuances (''Anticipatory Hedges''). Anticipatory Hedges would only be entered into with Approved Counterparties, and would be utilized to fix the interest rate and/or limit the interest rate risk associated with any new issuance through: A forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury Securities and/or a forward swap (each, ''Forward Sale''); the purchase of put options on U.S. Treasury Securities (''Put Options Purchase''); a Put Options Purchase in combination with the sale of call options on U.S. Treasury Securities (''Zero Cost Collar''); transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities; or some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but not limited to structured notes, caps and collars, appropriate for the Anticipatory Hedges. Each Interest Rate Hedge and Anticipatory Hedge would, at the time it is entered into, qualify for hedge accounting treatment under Generally Accepted Accounting Principles. Ameren would comply with all applicable financial disclosure requirements of the Financial Accounting Standards Board associated with hedging transactions.

Ameren states that the proposed securities will not be issued if issuance would result in its common equity as a percentage of its consolidated capitalization (including Short-term Debt) falling below thirty percent. Ameren also states that it would maintain the common stock equity ratios of Union Electric Company (''AmerenUE'') and AmerenCIPS, its direct public-utility company subsidiaries, at or above thirty percent during the Authorization Period.

It is further requested that the Commission release jurisdiction reserved under the Restructuring Order over Ameren's request to allow the Financing Subsidiaries to dividend to Ameren any financing proceeds of a Financing Subsidiary.[13]

Wisconsin Energy Corporation, et al. (70–9881)

Wisconsin Energy Corporation (''WEC''), a public utility holding company exempt from registration under section 3(a)(1) of the Act,[14] and Wisconsin Electric Power Company (''WEPCo''), a wholly owned subsidiary holding company of WEC claiming exemption under section 3(a)(1) of the Act by rule 2, both at 31 West Michigan Street, Milwaukee, Wisconsin 53201 (together, ''Applicants''), have filed an application under sections 3(a)(1), 9(a)(2) and 10 of the Act.

WEC is a public utility holding company incorporated in the state of Wisconsin. WEC owns directly all of the common stock of two public utility companies: WEPCo, a combination electric and gas utility company and Edison Sault Electric Company (''Edison Sault''), an electric utility company incorporated in Michigan. WEPCo generates, distributes, and sells electric energy in southeastern, east central and northern Wisconsin and in the Upper Peninsula of Michigan. As of December 31, 2000, WEPCo had approximately

[9] Ameren is currently authorized to issue up to $1.5 billion in Short-Term Debt through February 27, 2003. *See* Current Financing Order.

[10] Ameren expects that this commercial paper would be re-offered to investors such as commercial banks, insurance companies, pension funds, investment trusts, foundations, colleges and universities, finance companies and non-financial corporations.

[11] Only the amounts drawn and outstanding under these agreements and facilities would be counted against the proposed limit on Short-Term Debt.

[12] Currently, Ameren is authorized to provide up to an aggregate amount of $1 billion in Guaranties on behalf or for the benefit of the Nonutility Subsidiaries through February 27, 2003. *See* Current Financing Order.

[13] In the Restructuring Order, the Commission reserved jurisdiction over this proposal, pending completion of the record.

[14] WEC is exempt from registration by order of the Commission. Its exemption was most recently reaffirmed in HCAR No. 27329 (December 28, 2000).

one million electric customers. WEPCo also purchases, distributes and sells natural gas to retail customers and transports customer owned gas in four distinct service areas encompassing approximately 3,800 square miles in Wisconsin with an estimated population of approximately 1,200,000: west and south of the City of Milwaukee, the Appleton area, the Prairie du Chien area, and areas within Iron and Vilas Counties. During 2000, WEPCo had gas operating revenues of $400 million and at December 31, 2000, WEPCo's gas distribution system included approximately 8,200 miles of mains connected at twenty-two gate stations to four different pipeline transmission systems and its gas service territory has an estimated population of approximately 1,200,000. Edison Sault provides retail electric service in certain territories in Michigan.[15]

WEC also owns all of the common stock of WICOR, a public utility holding company incorporated in Wisconsin and exempt from registration under the Act under section 3(a)(1) by order of the Commission.[16] WICOR has one wholly owned public utility subsidiary, Wisconsin Gas, which is a gas utility company organized in Wisconsin. Wisconsin Gas distributed gas to approximately 544,000 customers in 531 communities throughout Wisconsin as of December 31, 2000.

WEPCo seeks to transfer its gas utility assets (''Transferred Assets'') to Wisconsin Gas. The Transferred Assets are expected to have a book value of $479 million and have associated liabilities (''Liabilities'') of $115 million for an aggregate value of approximately $364 million (''Aggregate Value''). Wisconsin Gas will acquire the Transferred Assets along with the Liabilities associated and will provide, as consideration, shares of a newly created Class B common stock (''Class B Common Stock'') with a fair market value of approximately $364 million. Applicants seek authority for WEPCo to acquire the Class B Common Stock from Wisconsin Gas in an amount equal to the Aggregate Value. According to the agreement (''Asset Transfer Agreement''), the Transferred Assets will consist of:

1. All of WEPCo's rights, title and interest in and to all contracts and agreements with customers, suppliers, employees and other persons exclusively related to WEPCo's gas utility business (''Business''), including but not limited to gas supply agreements (''Contracts'');

2. WEPCo's accounts receivable related to the Business;

3. All of WEPCo's rights, title and interest in and to the real property interests used in the distribution of gas and for other purposes in the Business;

4. WEPCo's equipment, computer software, construction in progress, and other items of tangible personal property related to the Business;

5. WEPCo's inventory of gas, fuel, materials and supplies related to the Business;

6. All of the intangible assets owned or used by WEPCo relating primarily to the operation of the Business;

7. All books, documents and records owned or used by WEPCo relating primarily to the operation of the Business;

8. All assets related to the Business and existing at the closing date which are included within the financial books and records of WEPCo related to the Business and described as ''Prepayments and Other Current Assets,'' ''Regulatory Assets,'' ''Accumulated Deferred Income Taxes'' and ''Other Assets''; and

9. All rights to recoveries from third parties and causes of action against third parties relating to any of the Transferred Assets or any of the Assumed Liabilities (as defined below).

Under the Asset Transfer Agreement, Wisconsin Gas will assume the following obligations of WEPCo (''Assumed Liabilities''):

1. All obligations of WEPCo under the Contracts arising from and after the closing date;

2. All obligations of WEPCo related to the Business existing on the closing date or arising after the closing date which are included within the financial books and records of WEPCo related to the Business and described as ''Accounts Payable,'' ''Accrued Liabilities and Other,'' ''Accumulated Deferred Income Taxes,'' ''Regulatory Liabilities'' and ''Other, including Post-Retirement Benefit Obligation;'' and

3. Any and all claims, demands, liabilities, debts, obligations, damages and causes of action for any environmental liability arising out of or related to the operation of the Business prior to the closing date, excluding punitive or exemplary damages.

Wisconsin Gas will pay its own newly issued Class B Common Stock to WEPCo for the Transferred Assets under the Asset Transfer Agreement. Wisconsin Gas will issue to WEPCo the number of shares which reflect the percentage of equity in Wisconsin Gas represented by the Transferred Assets as compared to Wisconsin Gas' total assets after the transaction takes place.[17] The approximate worth of the Class B Common Stock will also be calculated to equal the Aggregate Value, as stated above. Additionally, in order for the transaction to qualify as a tax-free exchange under section 351 of the Internal Revenue Code, Wisconsin Electric must end up controlling at least eighty percent of the total combined voting power of all Wisconsin Gas stock entitled to vote. This will be accomplished by assigning the class A common stock (''Class A Common Stock'') one vote per share and the Class B Common Stock ten votes per share or such other number of votes per share as the Board of Directors of Wisconsin Gas shall determine so that Wisconsin Electric shall have a number of votes representing at least eighty percent of the total combined voting power of all classes of Wisconsin Gas stock entitled to vote immediately after consummation of the transaction.

Currently, the authorized capital stock of Wisconsin Gas consists of: (i) 5,000,000 shares of common stock, $8.00 par value, of which 1,125 shares are issued and outstanding and owned by WICOR, and (ii) 1,500,000 shares of cumulative preferred stock without par value, none of which are issued and outstanding.

The Asset Transfer Agreement requires that, as of the closing date, the entire authorized capital stock of Wisconsin Gas shall consist of: (i) 5,000,000 shares of Class A common stock, $8.00 par value, of which 1,125 shares will be issued and outstanding and owned by WICOR; (ii) 5,000,000 shares of Class B Common Stock, $8.00 par value, none of which shall be issued and outstanding prior to the issuance of shares to WEPCo contemplated by the Asset Transfer Agreement, and (iii) 1,500,000 shares of cumulative preferred stock without par value, none of which will be issued and outstanding.

In addition to Applicants' request for WEPCo to acquire Wisconsin Gas' securities, Applicants request that the Commission approve exemptions for

[15] WEPCo and Edison Sault own membership interests in American Transmission Company LLC, (''ATC''), a limited liability transmission utility company organized in Wisconsin. WEPCo owns approximately forty-two percent and Edison Sault owns approximately six percent of the interests in ATC. In addition, WEPCo owns a forty-eight percent interest in ATC Management Inc., a limited liability company organized to manage the operations of ATC.

[16] *See* Wisconsin Energy Corporation, HCAR No. 27163 (April 10, 2000).

[17] Thus, for illustration purposes only, if sixty percent of Wisconsin Gas' net assets after the transaction will consist of the Transferred Assets, then Wisconsin Gas will issue enough Class B Stock to WEPCo so that WEPCo will own sixty percent of Wisconsin Gas' outstanding common stock.

both WEC and WEPCo under section 3(a)(1) of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 01–17001 Filed 7–6–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–44497; File No. SR–NASD–98–26]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Amendment No. 10 to a Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Extension of Short Sale Rule and Continued Suspension of Primary Market Maker Standards

June 29, 2001.

On June 15, 2001, the National Association of Securities Dealers, Inc. (''NASD'' or ''Association''), through its subsidiary, the Nasdaq Stock Market Inc. (''Nasdaq''), submitted to the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule to change to: (1) Continue to suspend the current Primary Market Maker (''PMM'') standards until March 1, 2002, and (2) extend the NASD's Short Sale Rule pilot until March 1, 2002 (''Amendment No. 10'').[3] Amendment No. 10 to the proposed rule change, SR–NASD–96–28, is described in Items I and II below, which Items have been prepared by the Nasdaq. The Commission is publishing this notice and order to solicit comments on amendment No. 10 from interested persons and to approve the amendment on an accelerated basis.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* letters from Edward S. Knight, Executive Vice President and General Counsel, Nasdaq, to Belinda Blaine, Associate Director, Division of Market Regulation (''Division''), Commission, dated June 14, 2001; and Mary Dunbar, Vice President, Nasdaq, to Anitra Cassas, Special Counsel, Division, dated June 29, 2001. The current suspension and extension would expire on June 30, 2001. *See* Securities Exchange Act Release No. 43368 (September 27, 2000), 65 FR 59478 (October 5, 2000).''

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

In the current amendment, Nasdaq is proposing to extend the Short Sale Rule pilot and the suspension of the existing PMM standards from June 30, 2001 until March 1, 2002. The proposed rule language, as amended, follows. Additions are italicized; deletions are bracketed.

NASD Rule 3350

(a)–(k) No Changes.

(l) This Rule shall be in effect until [June 30, 2001] *March 1, 2002.*

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

In its filing with the Commission, Nasdaq 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 III below. Nasdaq has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

(1) Background on the NASD's Short Sale Rule

Section 10(a) of the Exchange Act[4] gives the Commission plenary authority to regulate short sales of securities registered on a national securities exchange, as needed to protect investors. Although the Commission has regulated short sales since 1938, that regulation has been limited to short sales of exchange-listed securities. In 1992, Nasdaq, believing that short-sale regulation is important to the orderly operation of securities markets, proposed a short sale rule for trading of its National Market securities that incorporates the protections provided by Rule 10a–1 of the Exchange Act.[5] On June 29, 1994, the Commission approved the NASD's short sale rule, Rule 3350 (''Short Sale Rule''), applicable to short sales[6] in Nasdaq National Market (''NNM'') securities on an eighteen-month pilot basis through March 5, 1996.[7] The NASD and the Commission have extended NASD Rule 3350 numerous times, most recently, until June 30, 2001.[8]

Nasdaq's short-sale rule employs a ''bid'' test rather than a tick test because Nasdaq trades are not necessarily reported to the tape in chronological order. Nasdaq's short sale rule prohibits short sales at or below the inside bid when the current inside bid is below the previous inside bid. Nasdaq calculates the inside bid from all market makers in the security (including bids on exchanges trading Nasdaq securities on an unlisted trading privileges basis), and disseminates symbols to denote whether the current inside bid is an ''up-bid'' or a ''down-bid.'' To effect a ''legal'' short-sale on a down-bid, the short-sale must be executed at a price at least .01 above the current inside bid.[9] The rule is in effect from 9:30 a.m. E.T. until 4 p.m. E.T. each trading day.

To reduce the compliance burdens on its members, Nasdaq's short sale rule also incorporates seven exemptions contained in Rule 10a–1 under the Exchange Act that are relevant to trading on Nasdaq.[10] In addition, in an effort to not constrain the legitimate hedging needs of options market makers, the NASD's short sale rule contains a limited exception for standardized options market makers. The Rule also contains an exemption for warrant market makers similar to the one available for options market makers.

[4] 15 U.S.C. 78j(a).

[5] 17 CFR 240.10a–1.

[6] A short sale is a sale of a security the seller does not own or any sale which is consummated by the delivery of a security borrowed by, or for the account of, the seller. To determine whether a sale is a short sale, members must adhere to the definition of a ''short sale'' contained in Rule 3b–3 of the Exchange Act, which is incorporated into Nasdaq's short sale rule by NASD Rule 3350(k)(1).

[7] *See* Securities Exchange Act Release No. 34277 (June 29, 1994), 59 FR 34885 (July 7, 1994) (''Short Sale Rule Approval Order'').

[8] *See supra*, note 3.

[9] In light of the industry conversion to decimal pricing, Nasdaq recently amended the increment standard for legal short sales from 1/16th to $0.01. The Commission approved the amendment to IM–3350 on a pilot basis, ending March 1, 2002. Securities Exchange Act Release No. 44030 (March 2, 2001), 66 FR 14235 (March 9, 2001).

[10] *See* NASD Rule 3350(c)(2)–(8). The Rule also provides that a member not currently registered as a Nasdaq market maker in a security, and that has acquired the security while acting in the capacity of a block positioner shall be deemed to own such security for the purposes of the Short Sale Rule, notwithstanding that such member may not have a net long position in such security if and to the extent that such member's short position in such security is subject to one or more offsetting positions created in the course of bona fide arbitrage, risk arbitrage, or bona fide hedge activities. In addition, the NASD has recognized that SEC staff interpretations to Rule 10a–1 under the Exchange Act dealing with the liquidation of index arbitrage positions and an ''international equalizing exemption'' are equally applicable to the NASD's short sale rule. *See* NASD Rule 3350(f).