

the investment decision with respect to the Unaffiliated Portion of the Multi-Managed Portfolio; (c) any principal underwriter or promoter of a Multi-Managed Portfolio, or (d) any officer, director or employee of the Multi-Managed Portfolio engaging in the transaction.

3. No Affiliated Sub-Adviser will directly or indirectly consult with any Unaffiliated Sub-Adviser concerning allocation of principal or brokerage transactions or concerning the purchase of securities issued by Securities Affiliates. Sub-Advisers may consult with COMANCO in order to monitor compliance with the limits in rule 12d3-1.

4. No Affiliated Sub-Adviser will participate in any arrangement whereby the amount of its sub-advisory fees will be affected by the investment performance of an Unaffiliated Sub-Adviser.

5. With respect to purchases of securities by an Affiliated Portion during the existence of any underwriting or selling syndicate, a principal underwriter of which is an Affiliated Underwriter, the conditions of rule 10f-3 will be satisfied except that paragraph (b)(7) will not require the aggregation of purchases by the Affiliated Portion with purchases by an Unaffiliated Portion.

6. With respect to purchases by an Unaffiliated Portion of securities issued by a Securities Affiliate, the conditions of rule 12d3-1 will be satisfied except for paragraph (c) of such rule to the extent such paragraph is applicable solely because such issuer is an Affiliated Sub-Adviser or an affiliated person of an Affiliated Sub-Adviser.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-20524 Filed 8-13-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Federal Register Citation of Previous Announcement: [67 FR 51900, August 9, 2002]

Status: Closed Meeting.

Place: 450 Fifth Street, NW., Washington, DC.

Date and Time of Previously Announced Meeting: Tuesday, August 13, 2002 at 10:00 a.m.

Change in the Meeting: Date Change.

The closed meeting scheduled for Tuesday, August 13, 2002 at 10 a.m. has been changed to Monday, August 12, 2002, at 3 p.m.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: August 9, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-20681 Filed 8-9-02; 4:09 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46320; File No. SR-NASD-2002-84]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the National Association of Securities Dealers, Inc. Relating to Display Requirements When Using Reserve Size Functionality in Nasdaq's Future Order Display and Collector Facility

August 6, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 18, 2002, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Nasdaq. On July 25, 2002, Nasdaq submitted Amendment No. 1 to the proposed rule change.³ On August 5, 2002, Nasdaq submitted Amendment No. 2 to the proposed rule change.⁴ The Commission

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Mary M. Dunbar, Vice President, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated July 24, 2002 ("Amendment No. 1"). Amendment No. 1 replaced in its entirety the original rule proposal filed on June 18, 2002. In Amendment No. 1, Nasdaq, in part, made a minor technical correction to its rule text and clarified that only Nasdaq Quoting Market Participants would be permitted to use the reserve size functionality on SuperMontage.

⁴ See letter from Thomas P. Moran, Associate General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division, Commission, dated August 5, 2002 ("Amendment No. 2"). In

is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

Nasdaq proposes to alter the display requirement when using the reserve size feature in Nasdaq's future Order Display and Collector Facility ("SuperMontage").

The text of the proposed rule change, as amended, appears below. New text is in italics. Deleted text is in brackets.

4710. Participant Obligations in NNMS

(a) No Change.

(b)(1)(A) through (b)(1)(D) No Change.

(2) Refresh Functionality

(A) Reserve Size Refresh—Once a Nasdaq Quoting Market Participant's Displayed Quote/Order size on either side of the market in the security has been decremented to zero due to NNMS processing Nasdaq will refresh the displayed size out of Reserve Size to a size-level designated by the Nasdaq Quoting Market Participant, or in the absence of such size-level designation, to the automatic refresh size. To utilize the Reserve Size functionality, a minimum of [1,000] 100 shares must initially be displayed in the Nasdaq Quoting Market Participant's Displayed Quote/Order, and the Displayed Quote/Order must be refreshed to at least [1000] 100 shares. This functionality will not be available for use by UTP Exchanges.

(B) No Change.

(3) through (8) No Change.

(c) through (e) No Change.

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, as amended, and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set

Amendment No. 2, Nasdaq requested that the Commission waive the 30-day waiting period for the proposed rule change to become operative, and removed a sentence containing an inadvertent error regarding the possibility of decrementing a displayed quote to below 100 shares. For purposes of determining the effective date and calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers August 5, 2002 to be the effective date of the proposed rule change, the date Nasdaq filed Amendment No. 2. 15 U.S.C. 78s(b)(3)(C).

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. Purpose

As part of its ongoing preparation for the launch of SuperMontage, Nasdaq is engaging in a continuing review of the system's functionality and rules with a view to constant improvement. As a result of this review, and in consultation with industry professionals, Nasdaq has determined to reduce, from 1000 shares to 100 shares, the initial display requirement when using the reserve size feature of SuperMontage.

Background

SuperMontage allows Nasdaq Quoting Market Participants to divide quoted share amounts submitted to the system between those shares they direct to display publicly in the Nasdaq montage and the shares they desire to keep in reserve. Known as "reserve size," shares kept in reserve are available for execution through SuperMontage but are not shown to the marketplace.⁵ Nasdaq asserts that reserve size is an important tool for market participants seeking to execute large securities transactions while limiting negative market price impacts associated with public knowledge of those attempted sales or purchases.

Currently, the rules of Nasdaq's SuperMontage system prohibit the use of its reserve size functionality unless a Nasdaq Quoting Market Participant is displaying at least 1000 shares in its public quote. To Nasdaq's knowledge, it is the only market or trading venue that imposes such a display obligation. The 1000 share display requirement in SuperMontage was initially proposed to be consistent with a similar 1000 share display obligation applicable to trading in Nasdaq's SuperSoes system. Recent experience in the post-decimals SuperSoes environment, however, caused Nasdaq to re-examine the 1000 share display obligation and file with the Commission a proposal, since approved, to reduce, from 1000 to 100 shares, the display amount required to

use reserve size in SuperSoes.⁶ In this filing, Nasdaq seeks to adopt the same 100-share display standard in SuperMontage.

Under the rule change proposed here, Nasdaq Quoting Market Participants would be allowed to use SuperMontage reserve size any time they displayed a quote of at least one round lot (100 shares). Nasdaq states that the elimination of the 1000-share display requirement makes SuperMontage reserve size functionality available to market makers on terms similar to the reserve size facilities of competing trading systems while continuing to encourage the display of trading interest through SuperMontage's "displayed size first" execution algorithm.

2. Statutory Basis

Nasdaq believes that the proposed rule change, as amended, is consistent with the provisions of Section 15A of the Act,⁷ in general, and Section 15A(b)(6) of the Act,⁸ in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, 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.

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

Nasdaq does not believe that the proposed rule change, as amended, will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Nasdaq neither solicited nor received written comments with respect to the proposed rule change, as amended.

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

Because the foregoing proposed rule change, as amended, does not:

(1) Significantly affect the protection of investors or the public interest;

(2) Impose any significant burden on competition; and

(3) Become operative for 30 days after the date of filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder. At any time within 60 days of August 5, 2002, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹¹

Nasdaq requested that the Commission waive the five-day pre-filing notice requirement and the 30-day operative delay. The Commission believes waiving the 5-day pre-filing notice requirement and the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission notes that it has already approved a reduction of the minimum display size to 100 shares for use of reserve size in SuperSOES and believes that the proposal to implement the same change in SuperMontage raises no new regulatory issues.¹² As a result, the Commission designates the proposal to be effective and operative upon filing with the Commission.¹³

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change, as amended, that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in

⁵ Under SuperMontage's various execution algorithms, the system generally executes against all publicly displayed shares at the same price level before executing in time priority against reserve size at that same price. Telephone conversation between Thomas Moran, Office of General Counsel, Nasdaq, and Terri Evans, Assistant Director, and Ira Brandriss, Special Counsel, Division, Commission, on July 8, 2002.

⁶ See Securities Exchange Act Release No. 45998 (May 29, 2002), 67 FR 39759 (June 10, 2002) (File No. SR-NASD-2001-66).

⁷ 15 U.S.C. 78o-3.

⁸ 15 U.S.C. 78o-3(b)(6).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

¹² See Securities Exchange Act Release No. 45998 (May 29, 2002), 67 FR 39759 (June 10, 2002).

¹³ For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

the Commission's Public Reference Room. Copies of such filings will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-2002-84 and should be submitted by September 4, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-20525 Filed 8-13-02; 8:45 am]

BILLING CODE 8010-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Trade Policy Staff Committee; Notice of Availability and Request for Public Comment on Draft Environmental Review of United States-Singapore Free Trade Agreement

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of availability and request for public comment.

SUMMARY: The Office of the U.S. Trade Representative (USTR), on behalf of the Trade Policy Staff Committee (TPSC), seeks comment on the draft environmental review of the proposed U.S.-Singapore Free Trade Agreement (FTA). The draft environmental review is available at <http://www.ustr.gov/environment/environmental.shtml>. Copies of the review will also be sent to interested members of the public by mail upon request.

DATES: Comments on the draft environmental review are requested by September 20, 2002.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning public comments, contact Gloria Blue, Executive Secretary, TPSC, Office of the USTR, 1724 F Street, NW., Washington, DC 20508, telephone (202) 395-3475. Questions concerning the environmental review, or requests for copies, should be addressed to Alice Mattice or David Brooks, Environment and Natural Resources Section, Office of the USTR, telephone 202-395-7320.

SUPPLEMENTARY INFORMATION: Executive Order 13121—*Environmental Review of Trade Agreements* (64 FR 63,169, Nov. 18, 1999) and its implementing guidelines (65 FR 79,442, Dec. 19, 2000) require environmental reviews of certain major trade agreements. The Trade Act of 2002, signed by the President on August 6, 2002, provides

that the President shall conduct environmental reviews consistent with the Order and its relevant guidelines, and report on such reviews to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The Order and guidelines are available at <http://www.ustr.gov/environment/environmental.shtml>.

On November 29, 2000, at the outset of the negotiations, the TPSC initiated the environmental review of the Singapore FTA and requested public comments on the scope of the review, including the potential environmental effects that might flow from the FTA and the potential implications for environmental laws and regulations. *See* 65 FR 71,197 (Nov. 29, 2000); 65 FR 80,982 (Dec. 22, 2000) (extending public comment period). Because the negotiating schedule proved to be more extended than originally anticipated, the TPSC provided a supplemental opportunity for public comments. *See* 67 FR 8833 (Feb. 26, 2002). The TPSC also held a public hearing to discuss issues raised in connection with the Singapore FTA, including environmental issues. *See* 67 FR 9349 (Feb. 28, 2002).

Written Comments

In order to facilitate prompt processing of submissions of comments, the Office of the United States Trade Representative strongly urges and prefers e-mail submissions in response to this notice. Persons submitting comments by e-mail should use the following e-mail address: FR0029@ustr.gov with the subject line: "Singapore Draft Environmental Review." Documents should be submitted as either WordPerfect, MSWord, or text (.TXT) files. Persons who make submissions by e-mail should not provide separate cover letters; information that might appear in a cover letter should be included in the submission itself. To the extent possible, any attachments to the submission should be included in the same file as the submission itself, and not as separate files. If submission by e-mail is impossible, comments should be made by facsimile to (202) 395-6143, attention: Gloria Blue.

Written comments will be placed in a file open to public inspection in the USTR Reading Room at 1724 F Street, NW., Washington DC. An appointment to review the file may be made by calling (202) 395-6186. The Reading Room is open to the public from 10-12

a.m. and from 1-4 p.m., Monday through Friday.

Carmen Suro-Bredie,

Chair, Trade Policy Staff Committee.

[FR Doc. 02-20505 Filed 8-13-02; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Notice on Honoring Tickets of Insolvent Airlines Pursuant to Section 145 of the Aviation and Transportation Security Act

August 8, 2002.

AGENCY: Office of the Secretary, DOT.

SUMMARY: The Department is publishing the following notice regarding the obligation of carriers to honor the tickets of insolvent airlines pursuant to the requirements of section 145 of the Aviation and Transportation Security Act.

FOR FURTHER INFORMATION CONTACT:

Dayton Lehman, Jr., Deputy Assistant General Counsel, Office of Aviation Enforcement and Proceedings (C-70), 400 7th Street, SW., Washington, DC 20590, (202) 366-9349.

The purpose of this notice is to clarify the obligation of airlines under section 145 of the Aviation and Transportation Security Act ("Act") to provide transportation to passengers of airlines that have ceased operations due to insolvency or bankruptcy. (Pub. L. 107-71, 115 Stat. 645 (November 19, 2001).) This notice is needed because of numerous consumer complaints received by the Department regarding the treatment of passengers holding Vanguard Airline tickets by other airlines in the wake of Vanguard's July 30, 2002, cessation of operations.

In the wake of the September 11, 2001, terrorist attacks on the United States, Congress passed the Aviation and Transportation Security Act, which was signed into law on November 19, 2001. At least in part due to concerns that airlines might become insolvent, with resulting harm to consumers holding tickets on such airlines, Congress included in the law a provision to protect such consumers. The provision, section 145, requires airlines that operate on the same route as an insolvent carrier that has ceased operations to transport, "to the extent practicable," the ticketed passengers of the insolvent carrier. Specifically, section 145, which applies to interruptions in air service that occur within 18 months of the enactment of the Act, states in pertinent part:

¹⁴ 17 CFR 200.30-3(a)(12).