

[Docket No. 50-029-DCOM; ASLBP No. 96-713-01-DCOM]

**Yankee Atomic Electric Company;
Establishment of Atomic Safety and
Licensing Board**

Pursuant to delegation by the Commission dated December 29, 1972, published in the Federal Register, 37 F.R. 28710 (1972), and Sections 2.105, 2.700, 2.702, 2.714, 2.714a, 2.717, 2.721 and 2.772(j) of the Commission's Regulations, all as amended, an Atomic Safety and Licensing Board is being established in the following proceeding to rule on petitions for leave to intervene and/or requests for hearing and supplemental petitions to intervene and to preside over the proceeding in the event that a hearing is ordered:

YANKEE ATOMIC ELECTRIC COMPANY
Yankee Nuclear Power Station
Decommissioning Plan

This Board is being established pursuant to a notice published by the Commission on October 27, 1995, in the Federal Register (60 F.R. 55069). The petitioners, Citizens Awareness Network and New England Coalition on Nuclear Pollution, seek to intervene and request a hearing. The Commonwealth of Massachusetts has also filed a notice of participation in the proceeding.

The Board is comprised of the following administrative judges:

G. Paul Bollwerk III, Chairman, Atomic Safety and Licensing Board Panel,
U.S. Nuclear Regulatory Commission,
Washington, D.C. 20555

Dr. Jerry R. Kline, Atomic Safety and Licensing Board Panel, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555

Dr. Thomas S. Elleman, 704 Davidson Street, Raleigh, NC 27609

All correspondence, documents and other materials shall be filed with the Judges in accordance with 10 CFR 2.701.

Issued at Rockville, Maryland, this 17th day of January 1996.

B. Paul Cotter, Jr.,

Chief Administrative Judge, Atomic Safety and Licensing Board Panel.

[FR Doc. 96-962 Filed 1-23-96; 8:45 am]

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**SECURITIES AND EXCHANGE
COMMISSION**

[Release No. 34-36726; File No. SR-Amex-95-54]

**Self-Regulatory Organizations; Notice
of Filing of Proposed Rule Change by
the American Stock Exchange, Inc.
Relating to Restrictions on Specialists**

January 17, 1996.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 19, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") 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 the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Exchange Rules 190 and 950 regarding restrictions on specialists.

The text of the proposed rule change is available at the Office of the Secretary, the Amex, and at the Commission.

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

In its filing with the Commission, the Exchange 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 IV below. The Amex 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. Purpose

The Amex adopted most of its restrictions on the activities of specialists in the early 1960s. The effect of these restrictions was to limit the business activities of specialists (and their affiliates) to acting as a "broker's broker" and as a dealer on the Exchange Floor. These restrictions also precluded specialists from making public

statements regarding their specialty securities. In 1973, the Exchange added a gloss on the public statement restriction, prohibiting specialists from making, "an advertisement identifying a firm as a specialist in any security."¹ Even though the New York Stock Exchange ("NYSE") and Amex generally have comparable rules with respect to restrictions on specialists, the NYSE never adopted the 1973 gloss.

In 1975, with the implementation of trading in standardized options, the Exchange generally extended the restriction on stock specialists to options specialists. It modified, however, the prohibition on business transactions between specialists and the issuer of a specialty security (Rule 190(a)), to prohibit business transactions between an options specialist and the issuer of the security underlying a specialty option (Rule 950(k)).²

In 1987, the Chicago Board Options Exchange ("CBOE") instituted its Designated Primary Market-Maker ("DPM") system for trading listed options.³ While the CBOE adopted a number of the restrictions applicable to Amex options specialists, it did not apply any of the restrictions applicable to Amex specialist communications to its DPMs.⁴

The discrepancy between the rules of the Amex and the CBOE regarding specialist communications had little practical significance prior to the general implementation of multiple options trading. The Exchange is now finding, however, that the disparate regulation of specialists and DPMs has placed it at a disadvantage in the competition for order flow in a multiple trading environment. The Amex, accordingly, proposes to amend its rules to lift the prohibition against "popularizing" an option or a derivative

¹ See Commentary to Amex Rule 190.

² Since the Options Clearing Corporation ("OCC") is the issuer of all listed options and the "business transaction" prohibition was intended as a prophylactic measure to prevent the passage of non-public information between specialist and issuer, the policy reason behind Rule 190(a) would not have been advanced had the Exchange simply prohibited business transactions between the OCC and an options specialist.

³ Like a specialist, a DPM has primary market making responsibilities.

⁴ See CBOE Rules 8.80 and 8.81, and Securities Exchange Act Release Nos. 24934 (September 22, 1987), 52 FR 36122 (September 25, 1987) and 25151 (November 23, 1987), 52 FR 45417 (November 27, 1987). The CBOE's rules provide that an integrated broker-dealer affiliated with a DPM must establish an exchange approved "Chinese Wall" between the upstairs firm and the DPM and make certain disclosures if it intends to issue recommendations or research reports regarding DPM securities and the underlying. There are no specific restrictions, however, on DPM communications regarding their specialty securities.

security. It will leave in place the restriction against popularizing the underlying security, subject of course to the exceptions that have long been contained in Amex Rule 950. This will better conform the Amex rules to those applicable to DPMs at the CBOE regarding communications concerning specialty securities.

In addition, the Exchange is also proposing two other changes to the restrictions on popularizing by specialists. The Exchange seeks to conform its rules to those of the NYSE to eliminate generally the prohibition on communications that simply identify a firm as the specialist in a particular security. Finally, the Exchange seeks to amend its rules regarding equity derivative⁵ specialists to harmonize them with restrictions on options specialists. Thus, the Exchange would amend its rules to prohibit material business transactions between certain equity derivative specialists and the issuer of the security underlying the equity derivative.⁶

Of course, all options specialists would remain subject to the rules regulating the conduct and public communications of members generally (e.g., Exchange Rule 991, the "options advertising" rule). In addition, all other restrictions applicable to specialists and their affiliates would remain in place. Thus, specialists and their affiliates still would be prohibited from trading a specialist security outside the specialist function (Rules 170(e) and 950(n)), holding or granting an option on a specialty stock (Rule 175), engaging in a business transaction with either the issuer of a specialty security or the underlying security in the case of options (Rules 190(a) and 950(k)), and accepting orders from the issuer of a specialty security, its insiders and enumerated institutional investors (Rules 190(b) and 950(k)).⁷

The Exchange represents that the respective proposed rule changes either seek to conform the Exchange's rules to those of the CBOE and NYSE, or represent a rational harmonization of

the regulation of listed options and equity derivatives. In addition, the Exchange believes that changes in market structure, the role of the specialist in the secondary market, and enhanced surveillance capabilities over the last thirty years have eliminated the need for continuation of at least certain of the original specialist prohibitions. This is most clearly true with respect to the wholesale application of restrictions on stock specialists to options specialists, due to the derivative pricing of the specialty securities. This is most clearly demonstrated by the experience of the CBOE, which has been able to adequately regulate its DPMs without the use of such wholesale restrictions. Finally, the Exchange believes that the experience of the NYSE demonstrates that with respect to all specialists there is no need to go so far as to preclude even the public identification of a particular firm as the specialist in particular securities.

2. Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act, in general, and further the objectives of section 6(b)(5) in particular, in that they are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 Competition

The Amex does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-95-54 and should be submitted by February 14, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-1030 Filed 1-23-96; 8:45 am]

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[Release No. 34-36733; File No. SR-Amex-95-55]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Fee Changes

January 17, 1996.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 21, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") 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 the self-regulatory organization. The Commission is publishing this notice to

⁵ The term "equity derivative" refers to an underwritten security the value of which is determined by reference to another security, or to a currency, commodity, interest rate or index of the foregoing. Such securities are commonly listed pursuant to Amex Company Guide ("Guide") Sections 106 ("Index and Currency Warrants"), 107 ("Other Securities"), 118 ("Investment Trusts"), or Amex Rule 1002 ("Portfolio Depositary Receipts").

⁶ It is in the case of listings under sections 107 and 118A of the Guide that the underlying can be a single security, so that restrictions analogous to those applicable to equity options are appropriate.

⁷ Exchange Rule 193 permits the affiliates of specialists to obtain an exemption from most specialist restrictions through the use of an Exchange-approved "Chinese wall".

⁸ 17 CFR 200.30-3(a)(12).