listing and registration of Allstate's common stock on the NYSE. By reason of Section 12(b) of the Act [3] and the rules and regulations of the Commission thereunder, Allstate shall continue to be obligated to file reports with the Commission under Section 13 of the Act.[4]

Any interested person may, on or before March 8, 2000, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549–0609, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[5]

Jonathan G. Katz,

Secretary.

[FR Doc. 00–4149 Filed 2–18–00; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration (Southwestern Bell Telephone Company, Forty Year 6⅞% Debentures, Due February 1, 2011), File No. 1–2346

February 15, 2000.

Southwestern Bell Telephone Company, a Missouri corporation (''Company'') and an indirect, wholly owned subsidiary of SBC Communications, Inc. (''SBC''), has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 12d2–2(d) promulgated thereunder,[2] to withdraw the security specified above (''Security'') from listing and registration on the American Stock Exchange LLX (''Amex'' or ''Exchange'').

On September 27, 1999, the Company's Board of Directors adopted a resolution to withdraw the Security from listing and registration on the Amex. The Company, in making the determination to seek such withdrawal, has cited the following factors in its application to the Commission:

- The Security currently has a limited number of registered holders.
- The Security trades infrequently on the Exchange and the Company does not anticipate that such trading volume might increase appreciably.
- The costs associated with the continued listing of the Security are prohibitive, given the limited trading volume.
- The Company's parent, SBC, has agreed to guarantee the Company's Security. The Commission's Division of Corporation Finance, in response to a request by the Company, issued a ''no-action'' letter on December 23, 1999, in which it took the position that it would not object if the Company did not file reports under Sections 13(a) and 15(d) of the Act with respect to the Security, noting that (1) SBC is subject to the reporting requirements of the Act, (2) the Company is a wholly owned subsidiary of SBC, and (3) SBC has fully and unconditionally guaranteed the Security. The Company has requested such exemption in order to save the costs of continuing to prepare such periodic and annual reports for filing with the Commission.
- The Company is not obligated by the terms of the indenture under which the Security was issued or by any other document to maintain the Security's listing on the Amex or any other exchange.

The Company has stated in its application to the Commission that is has complied with the requirements of Amex Rule 18 and that the Exchange has indicated it will not interpose any objection to the withdrawal of the Security. Furthermore, the Company has stated in its application that the firm of Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed to act as a market maker in the Security after its withdrawal from listing and registration on the Amex.

Any interested person may, on or before March 8, 2000, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549–0609, facts bearing upon whether the application has been made in accordance with the rules of the Exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[3]

Jonathan G. Katz,

Secretary.

[FR Doc. 00–4148 Filed 2–18–00; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42226; File No. SR–NASD–99–54]

Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change by the National Association of Securities Dealers, Inc. Creating a Voluntary Single Arbitrator Pilot Program

February 15, 2000.

I. Introduction

On October 5, 1999, the National Association of Securities Dealers, Inc. (''NASD'' or ''Association''), through its wholly owned subsidiary NASD Regulation, Inc. (''NASD Regulation''), filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder.[2] In its proposal, NASD Regulation seeks to implement a voluntary single arbitrator pilot program for cases involving claims of $50,000.01 to $200,000. Notice of the proposal, as amended by Amendment No. 1, was published in the **Federal Register** December 7, 1999 (''Notice'') [3] The Commission received one comment letter on the filing.[4]

II. Description of the Proposal

NASD Regulation proposes to implement a two-year voluntary pilot arbitration program in which parties may choose to use a single arbitrator for public customer cases involving claims of $50,000.01 to $200,000 (''Pilot Program''). Currently, NASD Rule 10308 calls for the appointment of three arbitrators for claims greater than $50,000.[5] NASD Regulation anticipates

[3] 15 U.S.C. 78*l*(b).

[4] 15 U.S.C. 78m.

[5] 17 CFR 200.30–3(a)(1).

[1] 15 U.S.C. 78*l*(d).

[2] 17 CFR 240.12d2–2(d).

[3] 17 CFR 200.30–3(a)(1).

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 42185 (November 30, 1999), 64 FR 68400 (File No. SR–NASD–99–54).

[4] *See* letter from Richard T. Chase, General Counsel and Managing Director, US Bancorp Piper Jaffray, to Jonathan G. Katz, Secretary, Commission, dated October 27, 1999 (''US Bancorp Letter''

[5] *See* NASD Rule 10308(b)(1)(B).

that the Pilot Program should result in lower arbitration fees and quicker resolution of arbitration claims for participants.

Amount in Controversy/Punitive Damages

The Pilot Program is limited to disputes between public customers and associated persons or firms and will not be available for the resolution of employment disputes or other intra-industry disputes. The Pilot Program will be limited to claims seeking between $50,000.01 and $200,000. This $200,000 limitation includes attorneys' fees, interest, and other costs. Further, the aggregate dollar amount of all claims by all parties—including any counterclaims, third-party claims, and cross-claims—will be counted toward the $200,000 limitation. Forum fees will not be counted in the $200,000 limitation, and the arbitrator will allocate forum fees among the parties, as already provided in the Code. In addition, cases involving punitive damages will not be eligible for the Pilot Program unless all parties agree to use a single arbitrator and to allow that arbitrator to award punitive damages.

Arbitrator Selection Process

Pursuant to the procedures in the NASD's Code of Arbitration Procedure (''Code''), parties will go through the process of choosing arbitrators to serve on a three-person panel. After the arbitrators have been chosen, NASD Regulation staff will inform the parties of the terms of the voluntary Pilot Program if their case appears to fit the criteria for the Pilot Program.[6] Parties then will have 15 days from the date the Director sends notice of the arbitrator names to agree on a single arbitrator. Because the parties may choose any one of the three arbitrators, it is possible that the single arbitrator will not be a public arbitrator. That person will, however, be a person agreed to by all parties.

The 15 day period corresponds with the 15 days period that parties have to select a chairperson of the panel. NASD Regulation expects that the arbitrator who would have been chosen as the chairperson is most likely the same person who will be chosen as the single arbitrator. Thus, if the parties decide not to proceed in the Pilot Program, they can proceed under normal procedures without delay.

Communications With Arbitrators

Unlike the procedures normally used, the Pilot Program will allow parties to communicate directly with the arbitrator without NASD Regulation staff involvement. To expedite case resolution, parties will be permitted to send written materials, including information (discovery) requests and motions, directly to the selected arbitrator. If the arbitrator and all parties agree, written materials may be served by facsimile (fax) or other electronic means provided that all parties have access to such means of communication.

NASD Regulation have established procedures to guard against improper *ex parte* communications with the arbitrator. Copies of written materials must be sent simultaneously and in the same manner to all parties[7] and to the Director. Parties also must send the Director, Arbitrator, and all parties proof of service of such written materials, indicating the time, date, and manner of service upon the arbitrator and all parties. No particular format is prescribed; parties may use the same type of Certificate of Service used in state or federal courts or another format that includes the necessary information (including the address to which the materials were sent). As is true under the Federal Rules of Civil Procedure,[8] service by mail is complete upon mailing.

If the arbitrator agrees, parties may initiate conference calls with the arbitrator, provided that all parties are on the line before the arbitrator joins the call. Similarly, the arbitrator may initiate conference calls with the parties, provided all parties are on the line before the conference begins. At the discretion of the arbitrator, conference calls may be tape recorded. Under NASD Regulation practice, the arbitrator also prepares a written summary of the decisions reached during the call or may direct one of the parties to summarize the call and send the summary by facsimile to the arbitrator and all parties within a short period of time while memories are still fresh.

Filing Fees, Member Surcharges, and Hearing Session Deposits

Filing fees, member surcharges, and member processing fees will not change under the Pilot Program. Rather, the Pilot Program provides that such fees will be the same as in Rules 10332 and 10333. However, hearing session fees will be reduced in the Pilot Program to reflect lower arbitrator costs.[9] Regardless of the amount in controversy in the Pilot Program, the fee for a pre-hearing conference call with an arbitrator will be the same as at present, $450. The hearing session fees are as follows:

- For claims of $50,000.01 to $100,000.00, hearing session fees under the Pilot Program will be $550 per session or $1,100 per typical two session day. The new fee structure represents a reduction of $200 per session for the parties as compared with normal case procedures (or a $400 reduction per typical two session day).
- For claims of $100,000.01 to $200,000.00, hearing session fees under the Pilot Program will be $750 per session or $1,500 per typical two session day. The new fee structure represents a reduction of $375 per session for the parties as compared with normal case procedures (or a $750 reduction per typical two session day).

Limitations on the Amount of the Award

The single arbitrator may not award the parties more than a total of $200,000, including damages, interest, costs, and attorneys' fees, unless all parties agree that the arbitrator may award a larger amount. In addition, the arbitrator will allocate forum fees to the parties as provided in Rule 10332(c). Therefore, NASD Regulation recommends that parties evaluate their claims carefully to ensure that they fit within the parameters of the Pilot Program.

In the unlikely event that, during the course of the arbitration, a claimant learns of information that leads the claimant to believe there are additional claims, or higher claims than originally made, which would raise the total amount in controversy over the $200,000 maximum, the claimant has the option of (i) asking the arbitrator to dismiss the case without prejudice under Rule 10305 and, if that request is granted, re-filing the revised claim as a regular, three-arbitrator case,[10] or (ii) asking the other parties to stipulate that the single arbitrator may award more than $200,000. NASD Regulation does

[6] Parties may have received information about the Pilot Program earlier in the process, and if so, they will be reminded that this option is available. Parties also may have informally agreed to participate in the Pilot Program.

[7] Since parties may be represented by counsel at any stage of an NASD arbitration proceeding (*see* Rule 10316), service upon a party's counsel of record will be considered to be service on the party.

[8] *See* Fed. R. Civ. P. 5(b).

[9] For each hearing session, NASD Regulation will save $400 in arbitrator honoraria. Conversation between Linda Fienberg, Executive Vice President, NASD Regulation, and Joseph P. Corcoran, Attorney, Division of Market Regulation (''Division''), Commission on November 29, 1999.

[10] Rule 10305(a) provides that arbitrators may dismiss a proceeding at the request of a party or on the arbitrators' own initiative. Therefore, the single arbitrator has the discretion to determine whether or not to grant a request for dismissal. Rule 10305(c) provides that arbitrators shall dismiss a proceeding at the joint request of all the parties.

not anticipate that such issues will arise with any frequency.[11]

Applicability of Code and Effectiveness of the Pilot Program

The Pilot Program rules provide that, except as otherwise provided for in the rules of the Pilot Program, the remaining provisions of the Code will apply to the Pilot Program. This means that the normal arbitration rules and procedures will apply unless they are specifically superseded by the rules of the Pilot Program. Additionally, the NASD will announce the effective date of the proposed rule change in a Notice to Members to be published no later than 60 days following Commission approval. The effective date will be 30 days following publication of the Notice to Members announcing Commission approval. Once the Pilot Program has become effective, it will remain in effect for two years. Prior to the expiration of the Pilot Program, NASD Regulation may decide to extend the Program, and would then request SEC approval for an extension.

III. Summary of Comments and Discussion

The Commission received one comment letter on the proposal and this letter supports the Pilot Program.[12] The commenter endorses the Pilot Program as a means of simplifying and expediting the arbitration process. Further, the commenter suggests that the use of a single arbitrator should be expanded in the future, and states that US Bancorp would support mandating the use of a single arbitrator down the road.

The commenter raises a question as to whether punitive damages, if all parties agree to use a single arbitrator, are included in the $200,000 limitation. According to the Pilot Program Rules, cases involving punitive damages are not eligible for the Pilot Program unless all of the parties agree to use a single arbitrator. However, if the parties in a case involving punitive damages agree to use a single arbitrator, the punitive damages *will* be counted toward the $200,000 limitation.[13]

Lastly, the commenter expresses disappointment that the NASD has not further reduced fees to encourage participation in the Pilot Program. The commenter notes its view that arbitration fees are not strictly cost-based. As an example, the commenter states that hearing session fees vary depending on the dollar amount of the claims in the matter even though the costs of the hearing sessions are the same. The commenter believes that reduced fees would be an appropriate incentive to help the Pilot Program succeed and suggests that the NASD revisit its fee schedule if the Pilot Program were made permanent. This issue was addressed in an earlier filing by the NASD, SR–NASD–97–79, which involved a comprehensive revision of the NASD's arbitration fee schedule.[14] In this filing, NASD Regulation stated that the Office of Dispute Resolution's experience shows that the costs of conducting hearings vary as the amount in dispute and the number of parties involved increase.[15]

The Pilot Program procedures should help expedite the arbitration process for claims that fit within the Pilot Program. For example, the Pilot Program allows parties to communicate directly with the arbitrator without NASD Regulation staff involvement while also providing procedures that should guard against improper *ex parte* communications with the arbitrator. To speed up case resolution, parties will be permitted to send written material, including information requests and motions, directly to the arbitrator. However, parties must send copies of the written material simultaneously and in the same manner to all parties and the Director. Further, parties must send proof of service to the Director, arbitrator, and all parties. Phone calls with the arbitrator are also permitted, provided that all of the parties are on the line before the arbitrator joins the call or before the conference begins. These procedures should help expedite case resolution and at the same time, protect against improper *ex parte* communications.

The reduction of fees is an appropriate means to encourage participation in the Pilot Program. By using one arbitrator, NASD Regulation will save $400 in arbitrator honoraria for each hearing sesion.[16] For claims of $50,000.01 to $100,000, the parties will save $200 per hearing session.[17] NASD Regulation is passing approximately one half of its savings in arbitrator honoraria to the parties in these claims. For claims of $100,000.01 to $200,000, the parties will save $375 per hearing session.[18] In these claims, NASD Regulation is passing on almost all of its savings in arbitrator honoraria to the parties. The reduced fees should help encourage parties to participate in the Pilot Program and are reasonable under the circumstances.

Based on the foregoing reasons, the Commission finds that the proposal is consistent with the requirements of Section 15A of the Act[19] and the rules and regulations thereunder that govern the NASD.[20] In particular, the Commission finds that the proposal is consistent with Section 15A(b)(6) of the Act[21] which requires, among other things, that the rules of an association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination among customers, issuers, brokers, or dealers.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,[22] that the proposed rule change (SR–NASD–99–54) is here approved.

[11] Under the Code, the single arbitrator has discretion to determine whether to allow a party to file a new or amended pleading except when a party is responding to a new or amended pleading. *See* Rule 10328(b). Accordingly, if a party seeks to amend a pleading to raise the total amount in controversy over the $200,000 maximum, the party must first receive the arbitrator's consent. Because the Pilot Program is designed to add flexibility to the Code, parties and arbitrators faced with these facts could, for example, agree to continue with a single arbitrator, or ascertain whether two other arbitrators already ranked in the initial list selection process might still be available, allowing the case to continue without serious interruption. In the alternative, a party can request to have the case dismissed and the adverse party can contest the request. If that request is granted, the party can re-file the revised claim as a regular, three-arbitrator case. Parties considering this step should understand that filing a new case would involve the payment of the initial filing fees and hearing session deposit for the new case. They should also consider any applicable eligibility or statute of limitations defenses the new filing date might raise.

[12] *See* US Bancorp Letter.

[13] Conversation between Jean I. Feeney, Office of General Counsel, NASD Regulation, and Joseph P. Corcoran, Attorney, Division, Commission on January 11, 2000.

[14] *See* Securities Exchange Act Release No. 39346 (November 21, 1997), 62 FR 63580 (December 1, 1997) (Notice of filing of SR–NASD–97–79); Securities Exchange Act Release No. 14056 (February 16, 1999), 64 FR 10041 (March 1, 1999) (Order approving SR–NASD–97–79) (''SR–NASD–97–79 Order'').

[15] *See* SR–NASD–97–79 Order, at note 94.

[16] *See supra* note 9.

[17] Under the current NASD fee schedule, the hearing session fee for a claim between $50,000.01 and $100,000 is $750. Under the Pilot Program, the hearing session fee for a claim in this dollar amount would be $550.

[18] Under the current NASD fee schedule, the hearing session fee for a claim between $100,000.01 and $200,000 is $1.125. Under the Pilot Program, the hearing session fee for a claim in this dollar amount would be $750.

[19] 15 U.S.C. 78*o*–3.

[20] In addition, pursuant to Section 3(f) of the Act, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[21] 15 U.S.C. 78*o*3(b)(6).

[22] 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[23]

Jonathan G. Katz,

Secretary.

[FR Doc. 00–4150 Filed 2–18–00; 8:45 am]

BILLING CODE 8010–01–M

STATE JUSTICE INSTITUTE

Sunshine Act Meeting

DATE: Friday, March 3, 2000, 9 am–5 pm.

PLACE: 1650 King Street Suite 600, Alexandria, VA.

MATTERS TO BE CONSIDERED: Consideration of proposals submitted for Institute funding.

PORTIONS OPEN TO THE PUBLIC: All matters other than those noted as closed below.

PORTIONS CLOSED TO THE PUBLIC: Internal personnel matters and Board of Directors' committee meetings.

CONTACT PERSON: David Tevelin, Executive Director, State Justice Institute, 1650 King Street Suite 600, Alexandria, VA 22314, (703) 684–6100.

David I. Tevelin,

Executive Director.

[FR Doc. 00–4273 Filed 2–17–00; 3:30 pm]

BILLING CODE 6820–SC–M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

COUNCIL ON ENVIRONMENTAL QUALITY

Request for Public Comment Regarding Implementation of Executive Order 13141: Environmental Review of Trade Agreements

AGENCY: Office of the United States Trade Representative and Council on Environmental Quality.

ACTION: Notice of request for written public comment.

SUMMARY: On November 16, 1999, President Clinton signed Executive Order 13141. 64 FR 63169 (Nov. 18, 1999). The Order states that the United States is committed to a policy of ongoing assessment and evaluation of the environmental impacts of trade agreements, and in certain instances, written environmental reviews. The Order directs the Office of the United States Trade Representative (USTR) and the Council on Environmental Quality (CEQ) to oversee implementation of the Order, including the development of procedures pursuant to the Order, in consultation with appropriate foreign policy, environmental, and economic agencies. For convenience, the text of the Order is reproduced below.

USTR and CEQ seek the written views of the public concerning the issues the agencies should consider with respect to implementing the Order, including such matters as: general views on how the environmental review process should work, mechanisms for involving the public, including the role of USTR's advisory committees in the process; timing and process for conducting a written environmental review for those agreements requiring it; and appropriate methodologies for assessing environmental impacts in the context of trade negotiations.

USTR and CEQ will use this information, in part, to develop implementing guidelines, with the goal of completing the guidelines by mid-year. USTR and CEQ also intend to hold a public hearing concerning the implementation of the Executive Order, and to request public comment on draft guidelines. The public will be notified of those opportunities in subsequent **Federal Register** notices.

DATE: Comments are due no later than April 7, 2000.

ADDRESSES: Comments must be submitted to Gloria Blue, Executive Secretary, Trade Policy Staff Committee, ATTN: Implementation of Executive Order 13141—Environmental Review of Trade Agreements, Office of the U.S. Trade Representative, room 122, 600 Seventeenth Street, NW., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Office of the U.S. Trade Representative, Environment and Natural Resources Section, telephone 202–395–7320 or Council on Environmental Quality, telephone 202–456–6224.

SUPPLEMENTARY INFORMATION: Executive Order 13141 provides as follows:

Environmental Review of Trade Agreements

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to further the environmental and trade policy goals of the United States, it is hereby ordered as follows:

Section 1. Policy. The United States is committed to a policy of careful assessment and consideration of the environmental impacts of trade agreements. The United States will factor environmental considerations into the development of its grade negotiating objectives. Responsible agencies will accomplish these goals through a process of ongoing assessment and evaluation, and, in certain instances, written environmental reviews.

Sec. 2. Purpose and Need. Trade agreements should contribute to the broader goal of sustainable development. Environmental reviews are an important tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses to those effects whether in the course of negotiations, through other means, or both.

Sec. 3 (a) *Implementation.* The United States Trade Representative (''Trade Representative'') and the Chair of the Council on Environmental Quality shall oversee the implementation of this order, including the development of procedures pursuant to this order, in consultation with appropriate foreign policy, environmental, and economic agencies.

(b) *Conduct of Environmental Reviews.* The Trade Representative, through the interagency Trade Policy Staff Committee (TPSC), shall conduct the environmental reviews of the agreements under section 4 of this order.

Sec. 4. Trade Agreements.

(a) Certain agreements which the United States may negotiate shall require an environmental review. These include:

(i) comprehensive multilateral trade rounds;

(ii) bilateral or plurilateral free trade agreements; and

(iii) major new trade liberalization agreements in natural resource sectors.

(b) Agreements reached in connection with enforcement and dispute resolution actions are not covered by this order.

(c) For trade agreements not covered under subsections 4 (a) and (b), environmental reviews will generally not be required. Most sectoral liberalization agreements will not require an environmental review. The Trade Representative, through the TPSC, shall determine whether an environmental review of an agreement or category of agreements is warranted based on such factors as the significance of reasonably foreseeable environmental impacts.

Sec. 5. Environmental Reviews.

(a) Environmental reviews shall be:

(i) written;

(ii) initiated through a Federal Register notice, outlining the proposed agreement and soliciting public comment and information on the scope of the environmental review of the agreement;

(iii) undertaken sufficiently early in the process to inform the development of negotiating positions, but shall not be a condition for the timely tabling of particular negotiating proposals;

(iv) made available in draft form for public comment, where practicable; and

(v) made available to the public in final form.

(b) As a general matter, the focus of environmental reviews will have impacts in the United States. As appropriate and prudent, reviews may also examine global and transboundary impacts.

Sec. 6. Resources. Upon request by the Trade Representative, Federal agencies shall, to the extent permitted by law and subject to the availability of appropriations, provide analytical and financial resources and

[23] 17 CFR 200.30–3(a)(12).