

4. Assurance

The Safety Program required by § 70.62(a) should have provisions for implementing the appropriate management controls to maintain the validity of the IEFs. Consideration should also be given to commitments in the QA program or a specific license condition.

References

- U.S. Code of Federal Regulations, title 10, part 70, "Domestic Licensing of Special Nuclear Material," U.S. Government Printing Office, January 1, 2003.
- NUREG-1520, "Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility," U.S. Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards, March 2002.
- NUREG-1718, "Standard Review Plan for the Review of an Application for a Mixed Oxide (MOX) Fuel Fabrication Facility," U.S. Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards, August 2000.

IV. Further Information

Comments and questions should be directed to the NRC contact listed above by December 9, 2004. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given to comments received after this date.

Dated in Rockville, Maryland, this 3rd day of November, 2004.

For the Nuclear Regulatory Commission.

Melanie A. Galloway,

Chief, Technical Support Group, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 04-24890 Filed 11-8-04; 8:45 am]

BILLING CODE 7590-01-P

POSTAL RATE COMMISSION

Briefing on New Postal Service Rollforward Model

AGENCY: Postal Rate Commission.

ACTION: Notice of public briefing.

SUMMARY: The Postal Service will present a briefing and demonstration of its new PC-based rollforward model software on Tuesday, November 16, 2004 at 10 a.m. in the Commission's hearing room. The briefing will address the history of the Postal Service's rollforward model, reasons why the new version was developed, and components of the new model. A question-and-answer session will follow. The meeting is open to the public.

DATES: Tuesday, November 16, 2004.

ADDRESSES: Postal Rate Commission (hearing room), 1333 H Street NW., Washington, DC 20268-0001, Suite 300.

FOR FURTHER INFORMATION CONTACT:

Stephen L. Sharfman, General Counsel, 202-789-6818.

SUPPLEMENTARY INFORMATION:**Regulatory History**

69 FR 7530, February 17, 2004.

Earlier this year, the Postal Rate Commission gave a public demonstration of the new computer software model it has developed to handle the cost model/rollforward function in rate cases. The Postal Service has likewise been involved in updating its rollforward software. For the Postal Service, this would mean moving from a mainframe platform to a PC-based platform. This presentation will be quite similar in content and format to that provided by the Commission. As with the Commission's new software, the primary purpose of the Postal Service's new model is not to change the substance of the rollforward methodology, but rather to perform the same computational operations and achieve the same results using a different computer platform. The demonstration will use the rollforward model from the last omnibus rate case to illustrate how the model works.

The Postal Service anticipates having a version of the model available on the Commission's Web site, <http://www.prc.gov>, so that interested observers can load the model and follow along on their own computers. There are a limited number of computer outlets in the hearing room which will be available for use during the presentation. Interested persons should contact Steven W. Williams at 202-789-6842.

Steven W. Williams,

Secretary.

[FR Doc. 04-24943 Filed 11-8-04; 8:45 am]

BILLING CODE 7710-FW-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50622; File No. SR-BSE-2004-25]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Approving a Proposed Rule Change and Amendment Nos. 1, 2 and 3 Thereto and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 4 Thereto Relating to the Specialist Performance Evaluation Program

November 2, 2004.

I. Introduction

On June 21, 2004, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend its rules concerning its Specialist Performance Evaluation Program ("SPEP"). On July 26, 2004, the BSE submitted Amendment No. 1 to the proposed rule change.³ On August 25, 2004, the BSE submitted Amendment Nos. 2⁴ and 3⁵ to the proposed rule change. The proposed rule change, as amended by Amendment Nos. 1, 2 and 3, was published for comment in the **Federal Register** on September 3, 2004.⁶ The Commission received no comments on the proposed rule change.

On October 15, 2004, the BSE submitted Amendment No. 4 to the proposed rule change.⁷ This order

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from John Boese, Vice President, Chief Regulatory Officer, BSE, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated July 22, 2004 and accompanying Form 19b-4 ("Amendment No. 1"). Amendment No. 1 replaced and superceded the originally filed proposed rule change.

⁴ See letter from John Boese, Vice President, Chief Regulatory Officer, BSE, to Nancy Sanow, Assistant Director, Division, Commission, dated August 18, 2004 ("Amendment No. 2"). Amendment No. 2 replaced and superceded BSE Rule Chapter XV, Section 17, Paragraph (a) of the previously filed proposed rule change.

⁵ See letter from John Boese, Vice President, Chief Regulatory Officer, BSE, to Nancy Sanow, Assistant Director, Division, Commission, dated August 19, 2004 ("Amendment No. 3"). Amendment No. 3 replaced and superceded BSE Rule Chapter XV, Section 17, Paragraph (a) of the previously filed proposed rule change.

⁶ See Securities Exchange Act Release No. 50287 (August 27, 2004), 69 FR 53966.

⁷ See letter from John Boese, Vice President, Chief Regulatory Officer, BSE, to Nancy Sanow, Assistant Director, Division, Commission, dated October 6, 2004 ("Amendment No. 4"). In Amendment No. 4, the BSE proposed permanent approval of the SPEP by deleting Paragraph (f) of Chapter XV, Dealer-Specialists, Section 17, Specialist Performance

approves the proposed rule change, as amended by Amendment Nos. 1, 2, 3 and 4. Simultaneously, the Commission is providing notice of filing of Amendment No. 4 and granting accelerated approval of Amendment No. 4.

II. Description

The Exchange proposes to amend the SPEP, which is set forth in Chapter XV, Dealer-Specialists, Section 17, Specialist Performance Evaluation Program. Specifically, the BSE proposes to eliminate the current measurement standards set forth in the rule and replace them with a ranking program based on statistics reported under Rule 11Ac1-5 under the Act⁸ ("Rule 5").⁹ Because the measurement standards will no longer be set forth in the rule, the BSE proposes to communicate the measurement standards and thresholds to members via Floor Memoranda, at least thirty days in advance, at least each time a new Rule 5 measurement is chosen, or a new threshold is established. The BSE also proposes to replace references to the Performance Improvement Action Committee ("PIAC") in the rule text with the Market Performance Committee ("MPC"), because the PIAC, a subcommittee of the MPC, has been abolished by the Exchange, and its duties have been subsumed by the MPC.

III. Discussion

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange¹⁰ and, in particular, the requirements of Section 6(b) of the Act¹¹ and the rules and regulations thereunder. The Commission finds that the proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act,¹² which requires that the rules of an exchange be 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.

Specifically, the Commission finds that utilizing Rule 5 measurements for SPEP should provide the Exchange with greater flexibility in tailoring its SPEP criteria to respond to market conditions. The BSE, as part of its self-regulatory responsibilities, must conduct effective oversight of specialists. Among the obligations imposed upon specialists by the Act and the rules thereunder is engaging in a course of dealings for their own accounts to assist in the maintenance of fair and orderly markets in their designated securities.¹³ To ensure that specialists fulfill their obligations, the Exchange must review specialists' performance. The Commission believes that the BSE's SPEP is critical to this oversight.

The Commission notes that the proposed rule change, as amended, includes objective measures of performance, as derived from Rule 5. The Commission believes that the Rule 5 measurements should provide the BSE with adequate statistics upon which to evaluate its specialists' performance. Further, the SPEP contains procedures for the review and discipline of specialists who fail to perform their obligations adequately.

In Amendment No. 4, the BSE proposed to make its SPEP permanent. The Commission notes that the SPEP rule have been subject to notice and comment and that no comments have been received. The Commission believes that the proposed SPEP program, which utilizes Rule 5 measurements and sets forth a review and disciplinary procedures, merits permanent approval. The Commission emphasizes, however, that the BSE should continue to closely monitor the conditions for review and should take steps to ensure that all specialists whose performance is deficient will be subject to meaningful review. Accordingly, the Commission finds that there is good cause, consistent with Section 6(b)(5)¹⁴ and Section 19(b)(2) of the Act,¹⁵ to approve Amendment No. 4 on an accelerated basis prior to the 30th day of the date of publication of notice of filing thereof in the **Federal Register**.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 4, including whether Amendment No. 4 is consistent with the Act. Comments

may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BSE-2004-25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-BSE-2004-25. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to Amendment No. 4 that are filed with the Commission, and all written communications relating to Amendment No. 4 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 Room. Copies of the filing also will be available for inspection and copying at the principal office of the BSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BSE-2004-25 and should be submitted on or before November 30, 2004.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁶ that the proposed rule change (File No. SR-BSE-2004-25), as amended by Amendment Nos. 1, 2 and 3, be, and hereby is, approved, and that Amendment No. 4 to the proposed rule change be, and hereby is, approved on an accelerated basis.

Evaluation Program, which limited the effective date of the SPEP through December 31, 2004.

⁸ 17 CFR 240.11Ac1-5.

⁹ See Securities Exchange Act Release No. 43590 (November 17, 2000), 65 FR 75414 (December 31, 2000) (adopting Rule 5).

¹⁰ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ Rule 11b-1, 15 CFR 240.11b-1.

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E4-3076 Filed 11-8-04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50620; File No. SR-CHX-2004-37]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Inc. Relating to the Trading of Nasdaq/NM Securities

November 2, 2004.

SUMMARY: Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice hereby is given that on October 29, 2004, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 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 has requested a six-month extension of the pilot relating to the trading of Nasdaq/NM securities on the Exchange. Specifically, the pilot amended CHX Article XX, Rule 37 and CHX Article XX, Rule 43. The pilot currently is due to expire on November 1, 2004. The Exchange proposes that the pilot remain in effect on a pilot basis through May 1, 2005. The text of the proposed rule change is available at the principal offices of the CHX 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 regarding the proposed rule change. The text of these statements may be examined at the

places specified in Item IV below. CHX 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 Exchange has requested a six-month extension of the pilot relating to the trading of Nasdaq/NM securities on the Exchange. Specifically, the pilot amends CHX Article XX, Rule 37 and CHX Article XX, Rule 43. The pilot currently is due to expire on November 1, 2004; the Exchange proposes that the amendments remain in effect on a pilot basis through May 1, 2005.

On May 4, 1987, the Commission approved certain Exchange rules and procedures relating to the trading of Nasdaq/NM securities on the Exchange.³ Among other things, these rules rendered the Exchange's BEST Rule guarantee (CHX Article XX, Rule 37(a)) applicable to Nasdaq/NM securities and made Nasdaq/NM securities eligible for the automatic execution feature of the Exchange's Midwest Automated Execution System (the "MAX" system).⁴

On January 3, 1997, the Commission approved, on a one year pilot basis, a program that eliminated the requirement that CHX specialists automatically execute orders for Nasdaq/NM securities when the specialist is not quoting at the national best bid or best offer disseminated pursuant to SEC Rule 11Ac1-1 (the "NBBO").⁵ When the Commission approved the program on a pilot basis, it requested that the Exchange submit a report to the Commission describing the Exchange's experience with the pilot program. The Commission stated that the report should include at least six

months of trading data. Due to programming issues, the pilot program was not implemented until April 1997. Six months of trading data did not become available until November 1997. As a result, the Exchange requested an additional three-month extension to collect the data and prepare the report for the Commission.

On December 31, 1997, the Commission extended the pilot program for an additional three months, until March 31, 1998, to give the Exchange additional time to prepare and submit the report and to give the Commission adequate time to review the report prior to approving the pilot on a permanent basis.⁶ The Exchange submitted the report to the Commission on January 30, 1998. Subsequently, the Exchange requested another three-month extension, in order to give the Commission adequate time to approve the pilot program on a permanent basis. On March 31, 1998, the Commission approved the pilot for an additional three-month period, until June 30, 1998.⁷ On July 1, 1998, the Commission approved the pilot for an additional six-month period, until December 31, 1998.⁸ On December 31, 1998, the Commission approved the pilot for an additional six-month period, until June 30, 1999.⁹ On June 30, 1999, the Commission approved the pilot for an additional seven-month period, until January 31, 2000.¹⁰ On January 31, 2000, the Commission approved the pilot for an additional three-month period, until May 1, 2000.¹¹ On May 1, 2000, the Commission approved the pilot for an additional six-month period, until November 1, 2000.¹² On November 15, 2000, the Commission approved the pilot for an additional one-year period, until November 1, 2001.¹³ On November 1, 2001, the pilot was extended for an additional one-year period, until November 1, 2002.¹⁴ On November 1, 2002, the pilot was extended for an

³ See Securities Exchange Act Release No. 24424 (May 4, 1987), 52 FR 17868 (May 12, 1987) (order approving File No. SR-MSE-87-2); see also Securities Exchange Act Release Nos. 28146 (June 26, 1990), 55 FR 27917 (July 6, 1990) (order expanding the number of eligible securities to 100); 36102 (August 14, 1995), 60 FR 43626 (August 22, 1995) (order expanding the number of eligible securities to 500); 41392 (May 12, 1999), 64 FR 27839 (May 21, 1999) (order expanding the number of eligible securities to 1000).

⁴ The MAX system may be used to provide an automated delivery and execution facility for orders that are eligible for execution under the Exchange's BEST Rule and certain other orders. See CHX Rules, Art. XX, Rule 37(b). A MAX order that fits within the BEST parameters is executed pursuant to the BEST Rule via the MAX system. If an order is outside the BEST parameters, the BEST rule does not apply, but MAX system handling rules remain applicable.

⁵ See Securities Exchange Act Release No. 38119 (January 3, 1997), 62 FR 1788 (January 13, 1997).

⁶ See Securities Exchange Act Release No. 39512 (December 31, 1997), 63 FR 1517 (January 9, 1998).

⁷ See Securities Exchange Act Release No. 39823 (March 31, 1998), 63 FR 17246 (April 8, 1998).

⁸ See Securities Exchange Act Release No. 40150 (July 1, 1998), 63 FR 36983 (July 8, 1998).

⁹ See Securities Exchange Act Release No. 40868 (December 31, 1998), 64 FR 1845 (January 12, 1999).

¹⁰ See Securities Exchange Act Release No. 41586 (June 30, 1999), 64 FR 36938 (July 8, 1999).

¹¹ See Securities Exchange Act Release No. 42372 (January 31, 2000), 65 FR 6425 (February 9, 2000).

¹² See Securities Exchange Act Release No. 42740 (May 1, 2000) 65 FR 26649 (May 8, 2000).

¹³ See Securities Exchange Act Release No. 43565 (November 15, 2000), 65 FR 71166 (November 29, 2000).

¹⁴ See Securities Exchange Act Release No. 45010 (November 1, 2001), 66 FR 56585 (November 8, 2001).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.