

agencies, as appropriate, during the development of the EIS.

*(f) Indicate the Relationship Between the Timing of the Preparation of Environmental Analysis and the Commission's Tentative Planning and Decision Making Schedule*

NRC intends to prepare and issue for public comment a draft EIS in early 1996. The comment period would be for 90 days. The final EIS is scheduled for publication in the late 1996. This schedule may be impacted by the availability and adequacy of information about the site. Subsequent to completion of the final EIS, the NRC would review and act on a license amendment from the licensee requesting authorization for decommissioning the site. This could include review of the decommissioning plan as required in 10 CFR 40.42(c)(2), depending upon the outcome of the EIS.

*(g) Describe the Means by Which the EIS Will Be Prepared*

NRC will prepare the draft EIS according to the requirements in 10 CFR Part 51. Specifically, in accordance with 10 CFR 51.71, the draft EIS will consider comments submitted to NRC as part of the scoping process and will include a preliminary analysis which considers and balances the environmental and other effects of the proposed action and the alternatives available for reducing or avoiding adverse environmental and other effects, as well as any benefits of the proposed action, including the environmental, economic, technical, and other benefits.

The EIS will be prepared by the NRC staff. NRC may rely, to some extent, on the other NEPA documents prepared by the Army in support of the transfer of the JPG mission and the intended reuse of JPG after closure. NRC may also seek some technical assistance from one or more contractors (e.g., a national laboratory), if there is a need for such support. In addition, NRC anticipates requesting specific information from the licensee to support preparation of the EIS (e.g., available environmental monitoring data, risk assessment for the DU contamination, and UXO risks and costs for remediation). Any information received from the licensee related to the EIS will be available for public review, unless the information is protected from public disclosure in accordance with NRC requirements in 10 CFR 2.790.

In the scoping process, participants are invited to speak or submit written comments, as noted above, on any or all of the areas described above. In accordance with 10 CFR 51.29, at the conclusion of the scoping process, NRC

will prepare a concise summary of the determinations and conclusions reached, including the significant issues identified, and will send a copy to each participant in the scoping process as well as place this information in the NRC's Public Document Room.

Dated at Rockville, Maryland, this 3rd day of April 1995.

For the U.S. Nuclear Regulatory Commission,  
**Michael F. Weber,**  
*Chief, Low-Level Waste and Decommissioning Projects Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35558; File No. SR-CBOE-94-40]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Approving Proposed Rule Change Relating to the Three Business Day Settlement of Securities Transactions

March 31, 1995.

On November 7, 1994, the Chicago Board Options Exchange, Incorporated ("CBOE") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> The proposed rule change will amend CBOE's rules to provide for three business day settlement of securities transactions. The Commission published notice of the proposed rule change in the **Federal Register** on December 29, 1994 to solicit comment from interested persons.<sup>2</sup> No comments were received. This order approves the proposal.

#### I. Description

On June 7, 1995, the standard settlement time frame for most securities transactions will be shortened from five business days after the trade date ("T+5") to three business days after the trade date ("T+3").<sup>3</sup> The proposal

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> Securities Exchange Act Release No. 35137 (December 22, 1994), 59 FR 67355.

<sup>3</sup> On October 6, 1993, the Commission adopted Rule 15c6-1 under the Act, which establishes T+3 instead of T+5 as the standard settlement time frame for most broker-dealer transactions. Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891. The rule becomes effective June 7, 1995. Securities Exchange Act Release No. 34952 (November 9, 1994), 59 FR 59137.

amends certain provisions of CBOE's rules consistent with a T+3 settlement cycle. These amendments will become effective on the same date as Rule 15c6-1.<sup>4</sup>

The proposed rule change will amend Chapter XXX (Stocks, Warrants and Other Securities) and Chapter XXXI (Approval of Securities for Original Listing) to reflect a three business day settlement cycle. The settlement time frame for regular way transactions for stocks and warrants contained in Rules 30.12 (a)(3), 30.31(a), and 31.40 will be amended to refer to the three business day settlement standard. Rules 30.12(a)(4) and 30.31(a)(iii) will be amended to provide that seller's option trades may not settle in less than four business days. Rule 30.31(b), concerning bids and offers in rights to subscribe, will be amended to eliminate the reference to the fourth and fifth business day preceding the final day for subscription. Rule 30.34(b) and (c) will be amended to change references to the five final business days for trading in warrants and the fifth business day preceding the expiration of a class of warrants to the three final business days and the third business day. Rule 12.3(b)(1)(C)(1)(iv), concerning the margin requirements for a call option contract, also will be amended to refer to the third business day prior to the date on which a right to exchange or convert expires.

Rules 30.32(a), 31.22(f), and 31.42 contain provisions setting forth ex-rights or ex-dividend dates (i.e., the dates when stocks trade without rights or dividends). All references to transactions in stocks being ex-dividend or ex-rights on the fourth business day preceding the record date will be changed to the second business day preceding the record date. For transactions when the record date occurs on a day other than a business day, the stock will be traded ex-divided on ex-rights on the third preceding business day rather than on the fifth preceding business day.

Four rules dealing with customer margin requirements also will be amended. Consistent with Regulation T,<sup>5</sup> Rules 21.25(a), 23.13(a), 24.11(a),

<sup>4</sup> The transition from five day settlement to three day settlement will occur over a four day period. Friday, June 2, will be the last trading day with five business day settlement. Monday, June 5, and Tuesday, June 6, will be trading days with four business day settlement. Wednesday, June 7, will be the first trading day with three business day settlement. As a result, trades from June 2 and June 5 will settle on Friday, June 9. Trades from June 6 and June 7 will settle on Monday, June 12.

<sup>5</sup> 12 CFR 200.1-200.19 (1994), as amended, 59 FR 53565 (October 25, 1994).

and 30.51(a) currently require that initial margin deposits be made within seven full business days after the date on which a transaction giving rise to a margin requirement is effected. Rule 21.25(a) also requires that all long options must be paid in full within seven business days after the purchase date. Rule 21.25(e) provides that no margin is required in respect of government security options carried in a short position if the customer provides a custodial or Treasury security escrow receipt or letter of guarantee within seven business days. Regulation T was recently amended to revise the time limit within which a customer margin call must be satisfied to "the number of business days in the standard settlement cycle in the United States \* \* \* plus two business days."<sup>6</sup> Accordingly, all the time frames discussed above will be shortened to five business days.

## II. Discussion

The Commission believes the proposed rule change is consistent with Section 6 of the Act and, therefore, is approving the proposal. Specifically, the Commission believes the proposal is consistent with Section 6(b)(5)<sup>7</sup> of the Act which requires that the rules of an exchange be designed 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.

Currently, the rules of CBOE and other self-regulatory organizations control the time frame for settlement of securities transactions. On June 7, 1995, the new settlement cycle of T+3 will be established, as mandated by the Commission's Rule 15c6-1. As a result, CBOE's current rules establishing a T+5 settlement cycle will be inconsistent with Commission rules. This proposal will amend CBOE's rules to harmonize them with a T+3 settlement cycle.

The Commission believes that the benefits of a three day settlement cycle, as outlined in the release adopting Rule 15c6-1, apply equally to CBOE's proposed rule change.<sup>8</sup> With a T+3 settlement cycle, fewer unsettled trades will be subject to credit and market risk, and there will be less time between trade execution and settlement for the

value of those trades to deteriorate.<sup>9</sup> By reducing risk to the system, the proposed rule change furthers protection of investors and the public interest. CBOE's rules will assist the transition to a T+3 cycle by providing guidelines for related matters such as ex-dates. Thus, the proposed rule change is consistent with fostering cooperation and coordination with persons engaged in regulating, clearing, and settling transactions in securities and of perfecting the mechanism of a free and open market.

## III. Conclusion

For the reasons stated above, the Commission finds that the proposed rule change is consistent with Section 6 of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-CBOE-94-40) be and hereby is approved, effective June 7, 1995.

For the Commission by the Division of Market Regulation pursuant to delegated authority.<sup>10</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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[Release No. 34-35551; File No. SR-PSE-95-08]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Pacific Stock Exchange, Inc., Relating to Its Rules on Short Interest Reporting

March 30, 1995.

Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 22, 1995, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to

<sup>9</sup>The adopting release stated, "the value of securities positions can change suddenly causing a market participant to default on unsettled positions. Because the markets are interwoven through common members, default at one clearing corporation or by a major market participant or end-user could trigger additional failures, resulting in risk to the national clearance and settlement system." *Id.*

<sup>10</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> 15 U.S.C. 78s (b)(1)(1988).

<sup>2</sup> 17 CFR 240.19b-4 (1994).

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 is proposing to make a technical amendment to its rules on short interest reporting to allow members and member organizations for which the Exchange is the designated examining authority ("DEA") to report their "short" positions to self-regulatory organizations other than the Exchange. The text of the proposed rule change is as follows, wherein additions are *italicized*:

Rule 2.6(f)—No change.

#### Commentary

.01 No Change.

.02 *Members and member organizations for which the Exchange is the DEA need not report "short" positions to the Exchange as provided in Commentary .01 if such member or member organization has made arrangements, satisfactory to the Exchange, to report such positions to another self-regulatory organization.*

The Exchange requests the Commission to find good cause, pursuant to Section 19(b)(2) of the Act, for approving the proposed rule change prior to the thirtieth day after publication in the **Federal Register**.

### 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 self-regulatory organization 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. The self-regulatory organization 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

On January 27, 1995, the Commission approved a rule change proposal of the Exchange that requires members and member organizations for which the Exchange is the DEA to report certain "short" positions to the Exchange.<sup>3</sup> The Exchange is proposing an amendment to

<sup>3</sup> See Exchange Act Release No. 35287 (January 27, 1995), 60 FR 6743 (February 3, 1995).

<sup>6</sup> See Federal Reserve System Release, Docket No. R-0840 (October 18, 1994), 59 FR 53565.

<sup>7</sup> 15 U.S.C. 78f(b)(5) (1988).

<sup>8</sup> See *supra* note 7.