

1. Assess the effectiveness of the Licensee's corrective actions for previous audit findings as well as any violations identified by the NRC in subsequent inspections;

2. Assess the overall effectiveness of the Licensee's management oversight of licensed activities to assure compliance with all NRC requirements;

3. Make recommendations as necessary for improvements in management oversight or corrective actions to restore compliance with NRC requirements; and

4. Perform unannounced field audits of at least 50 percent of the radiography personnel authorized to perform radiography at the time of the audit, including some personnel from both the Great Falls and Billings offices.

The Regional Administrator, Region IV, may, in writing, relax or rescind this order upon demonstration by the Licensee of good cause.

V

In accordance with 10 CFR 2.202, the Licensee must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath of affirmation, specifically admit or deny each allegation or charge made in this order and set forth the matters of fact and law on which the Licensee or other person adversely relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Chief, Docketing and Service Section, Washington, D.C. 20555. Copies of hearing request also should be sent to the Director, Office of the Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, to the Assistant General Counsel for Hearings and Enforcement at the same address, to the Regional Administrator, NRC Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, and to the Licensee if the hearing request is by a person other than the Licensee. If a person other than the Licensee requests a hearing, that person shall set forth with particularly the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by the Licensee or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held,

the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR 2.202(c)(2)(i), the Licensee, or any other person adversely affected by this Order, may, in addition to demanding a hearing, at the time the answer is filed or sooner, move the presiding officer to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

Dated at Rockville, Maryland, this 5th day of May 1995.

For the Nuclear Regulatory Commission.

Hugh L. Thompson, Jr.,

Deputy Executive Director for Nuclear Materials Safety, Safeguards and Operations Support.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35689; File No. SR-Amex-95-16]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc., Relating to Minimum Fractions of Trading in Standard & Poor's MidCap 400 Depositary Receipts

May 8, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 3, 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 solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1) (1988).

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

The Amex proposes to amend its Rule 127, Commentary .01 to provide that the minimum fractional change applicable to trading of Standard & Poor's MidCap 400 Depositary Receipts ("MidCap SPDRs") shall be 1/64 of \$1.00.

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 IV 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

Amex Rule 127 provides parameters for the minimum fractional change for dealings in securities on the Exchange. Commentary .01 to Rule 127 provides that for securities listed under Amex Rule 1000 *et seq.*, which relate to Portfolio Depositary Receipts ("PDRs"), the minimum fractional change shall be 1/32 of \$1.00. Since April 1994, Standard and Poor's Depositary Receipts ("SPDRs"), which have been trading on the Exchange since January 1993, have had a minimum fractional change of 1/64 of \$1.00.²

In initially approving trading of PDRs in 1/32's, the Commission stated that such trading would enhance market liquidity and should promote more accurate pricing, tighter quotations, and reduced price fluctuations. The Commission also noted that such trading should allow customers to receive the best possible execution of their transactions in these securities.³

The Commission has approved Exchange listing and trading of S&P MidCap 400 Depositary Receipts with a minimum fractional change of 1/32 of \$1.00.⁴ The Exchange, however,

² Securities Exchange Act Release No. 33900 (April 12, 1994), 59 FR 18585. SPDRs are PDRs based on the S&P 500 Composite Stock Price Index.

³ Securities Exchange Act Release No. 31794 (January 29, 1993), 58 FR 7272.

⁴ Securities Exchange Act Release No. 35534 (March 24, 1995), 60 FR 16686.

believes the benefits identified by the Commission in connection with trading PDRs in $\frac{1}{32}$'s will be further enhanced by trading MidCap SPDRs in $\frac{1}{64}$'s.⁵ The Amex believes that trading MidCap SPDRs in $\frac{1}{64}$'s should further reduce price fluctuations based on the underlying index for the particular issuance (*i.e.*, the S&P MidCap 400 Index). According to the Exchange, trading MidCap SPDRs in $\frac{1}{64}$'s should benefit retail customers, institutions, and other market participants that invest in or trade these PDRs. In addition, the expected result of a narrower quotation spread in MidCap SPDRs should make such securities more useful instruments for institutional arbitragers and other market professionals who may hedge their positions in futures or other derivative markets.⁶

The Exchange will issue an "Information Circular" to members and member organizations relating to trading MidCap SPDRs in $\frac{1}{64}$'s prior to commencement of such trading.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and Section 6(b)(5) in particular, in that it is designed to promote just and equitable principles of trade, to facilitate transactions in securities, and to protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Amex believes that the proposed rule change will impose no burden on competition.

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

Written comments on the proposed rule change were neither solicited nor received.

⁵ As the Commission noted in approving the trading of SPDRs in $\frac{1}{64}$'s, another market could seek to commence trading in PDRs; however, the Intermarket Trading System ("ITS") does not currently accommodate quotes in $\frac{1}{64}$'s. See Securities Exchange Act Release No. 33900, *supra* note 2. The Exchange would discuss with the ITS Operating Committee or other ITS participants appropriate modifications to ITS to permit trading of PDRs in fraction of $\frac{1}{64}$'s, should another market seek to initiate such trading. The Exchange notes, however, that other regulatory issues (*e.g.*, the need for a market seeking to trade PDRs to adopt a rule comparable to Amex Rule 1000, Commentary .01) would also need to be addressed prior to the commencement of PDR trading in other markets.

⁶ As noted above, ITS currently is not capable of accommodating quotes in $\frac{1}{64}$'s. See *id.* Consequently, if other securities exchanges or national securities associations desire to list and trade MidCap SPDRs, the Commission expects the Amex to discuss with ITS and other ITS participants the means by which ITS would be modified to accommodate such trading.

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

Because the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of Amex Rule 127, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder. At any time within 60 days of the filing of such proposed rule change, 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.

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, N.W., Washington, D.C. 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, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to File No. SR-Amex-95-16 and should be submitted by June 6, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-12001 Filed 5-15-95; 8:45 am]

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[Release No. 34-35695; File No. SR-CBOE-95-06]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the Chicago Board Options Exchange, Incorporated, Relating to the CBOE Retail Automatic Execution System

May 9, 1995.

I. Introduction

On January 18, 1995, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² to modify the operation of the CBOE's Retail Automatic Execution System ("RAES"). The proposed rule change would grant senior staff in the Exchange's Control Room the authority to turn off RAES in the event of a system malfunction that affects the Exchange's ability to disseminate or update market quotes.

Notice of the proposal was published for comment and appeared in the **Federal Register** on February 23, 1995.³ No comment letters were received on the proposed rule change. This order approves the Exchange's proposal.

II. Description of the Proposal

CBOE proposes to grant the Exchange's Control Room the authority to turn off RAES⁴ if there is a system malfunction that affects the Exchange's ability to disseminate or update market quotes. Specifically, the proposal would add Interpretation .01 to CBOE Rule 24.15, and Interpretation .03 to Rule 6.8 to grant the senior person then in charge of the Exchange's Control Room the authority to turn off RAES if there is a system malfunction that affects the Exchange's ability to disseminate or update market quotes. The proposed language for both Interpretation .01 to Rule 24.15, and Interpretation .03 to Rule 6.8 is identical.

When an order is entered on RAES, the system automatically attaches to the order an execution price, determined by the prevailing market quote at the time

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 35388 (February 16, 1995), 60 FR 10134 (February 23, 1995).

⁴ RAES automatically executes public customer market and marketable orders of a certain size against participating market makers in the CBOE trading crowd at the best bid or offer reflected in the CBOE quotation system. A more detailed description of RAES is provided in Securities Exchange Act Release No. 22015 (May 6, 1985), 50 FR 19832 (May 10, 1985).

⁷ 17 CFR 200.30-3(a)(12) (1994).