

exemption as described in Section II above is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. Furthermore, the Commission has determined that special circumstances as provided in 10 CFR 50.12(a)(2)(ii) are present in that application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the rule. The underlying purpose of Section III.G.1 of Appendix R is to ensure that one train of systems needed for hot shutdown be free of fire damage. Application of this section (to the extent that it requires the separation of redundant trains of safe shutdown cables and equipment by a horizontal distance of more than 20 feet, with no intervening combustibles, in the auxiliary feedwater pump fire area) is not necessary to achieve the underlying purpose of the rule because the licensee's proposal still provides reasonable assurance that one safe shutdown train will be free of fire damage.

#### IV

Accordingly, the Commission hereby grants an exemption from the requirements of Section III.G.2.b of Appendix R to 10 CFR Part 50 to allow the intervening combustibles in the form of cable fill in three cable trays to remain installed in the auxiliary feedwater pump fire area. These trays were added as part of the diesel generator addition project, and are located within the separation space between redundant trains of cables and equipment required to achieve and maintain safe shutdown after a fire.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant impact on the quality of the human environment (60 FR 35755).

This exemption is effective upon issuance.

Dated at Rockville, Maryland this 18th day of July 1995.

For the Nuclear Regulatory Commission.

**Jack W. Roe,**

*Director, Division of Reactor Projects III/IV,  
Office of Nuclear Reactor Regulation.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35985; File No. SR-GSCC-95-01]

### **Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Modifying GSCC's Fee Structure to Reduce the Clearance Fee, to Implement a New Discount Policy, and to Clarify the Fee Structure**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> ("Act"), notice is hereby given that on May 31, 1995, the Government Securities Clearing Corporation ("GSCC") 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 primarily by GSCC. 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**

GSCC proposes to modify its fee structure to reduce the member clearance fee, to implement a new discount policy, and to clarify the application of the fee structure.

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

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

##### **(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

The purpose of the proposed rule change is to modify GSCC's fee structure to reduce the member clearance fee, to implement a new discount policy, and to clarify the application of the fee structure. The reduction in the clearance fee and GSCC's new discount

policy will first be reflected in the bills distributed to GSCC's members in June 1995.

GSCC passes through to its netting members, with the exception of category 1 interdealer broker netting members, whose activity is designed to net out completely, its cost of obtaining clearance services from its agent banks. Currently, the fee charged by GSCC to netting members to recoup its own clearance costs is \$3.35 per deliver and receive obligation. The level of this fee is periodically reviewed to ensure that it closely equates to GSCC's actual expense. GSCC's Board of Directors determined at its meeting on May 4, 1995, that the clearance fee needed to offset GSCC's own clearance costs is roughly \$2.90 per settlement and that it is appropriate to reduce GSCC's unit fee for clearance for \$3.25 to \$2.90, effective as of May 1, 1995. The level of this unit clearance fee will continue to be periodically monitored for appropriateness.

The Board also decided to implement a discount policy for GSCC's basic comparison and netting fees because of the continued increase in GSCC's financial strength<sup>3</sup> and its projected continued profitability. The discount policy will be subject to monthly review, and it is intended to result in a ten percent reduction in the cost of the services to members.<sup>4</sup>

In addition, GSCC proposes to amend the language of Section I(D) of its fee structure pertaining to locked-in trade data to clarify that the trade comparison fee for locked-in trade data is imposed on a member for trades entered into by a nonmember for whom the GSCC member is clearing. The amendment does not modify GSCC's application or size of this fee; it simply clarifies the provision.<sup>5</sup>

Finally, the proposed rule change adds a new section to GSCC's fee structure to clarify an issue concerning the designation and dollar size

<sup>3</sup> GSCC's financial condition is reflected in, among other things, its elimination of its accumulated deficit in April of 1995.

<sup>4</sup> Under the discount policy, GSCC will determine whether a discount will be provided on a monthly basis. Thus, the discount will not alter the fees established under GSCC's fee structure. The policy will operate in a manner similar to a rebate except that members are advised of and take the discount prior to remitting their fees to GSCC. The discount will be applied across the board to comparison and netting fees charged rather than to specific fees set forth under the fee structure. Telephone conversation between Jeffrey Ingber, General Counsel, GSCC, and Cheryl R. Oler, Staff Attorney, Division of Market Regulation ("Division"), Commission (June 13, 1995).

<sup>5</sup> Telephone conversation between Jeffrey Ingber, General Counsel, GSCC, and Cheryl R. Oler, Staff Attorney, Division, Commission (June 13, 1995).

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by GSCC.

limitation of a "side" of a transaction for purposes of the fee structure.<sup>6</sup> As defined in new section V of the fee structure, a "side" of a trade or transaction is limited to \$50 million increments in size.<sup>7</sup> Thus, if the aggregate amount of a side of a trade submitted to GSCC by or on behalf of a member is greater than \$50 million, each \$50 million portion of that aggregate amount, including any residual portion that is less than \$50 million, shall be considered as a separate "side" for purposes of the fee structure.

GSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because the proposal provides for the equitable allocation of reasonable dues, fees, and other charges among GSCC's participants.

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

GSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

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

Comments on the proposed rule change have not yet been solicited. Members will be notified of the rule filing, and comments will be solicited by an Important Notice. GSCC will notify the Commission of any written comments received by GSCC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)<sup>8</sup> of the Act and pursuant to Rule 19b-4(e)(2)<sup>9</sup> promulgated thereunder because the proposal

<sup>6</sup> The issue concerning the determination of a "side" of a transaction for purposes of GSCC's fee structure has arisen in connection with GSCC's implementation of its auction take down service. For a description of GSCC auction take down procedures, refer to Securities Exchange Act Release Nos. 33984 (May 2, 1994), 59 FR 24491 [File No. SR-GSCC-94-01] (approving proposed rule change relating to the comparison and netting of member's treasury auction purchases) and 34260 (June 27, 1994), 59 FR 33994 [File No. SR-GSCC-94-05] (notice of filing and immediate effectiveness of proposed rule change relating to GSCC's fee structure in connection with GSCC's auction take down services).

<sup>7</sup> Frequently, the aggregate amount of GSCC members' Treasury auction awards that are submitted to GSCC by a Federal Reserve Bank exceeds \$50 million.

<sup>8</sup> 15 U.S.C. § 78s(b)(3)(A)(ii) (1988).

<sup>9</sup> 17 CFR 240.19b-4(e)(2) (1994).

establishes or changes are due, fee or other charge imposed by GSCC. At any time within sixty days of the filing of such 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. 20549. Copies of such filing will also be available for inspection and copying at the principal office of GSCC. All submissions should refer to File No. SR-GSCC-95-01 and should be submitted by July 31, 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. 34-35979; File No. SR-NYSE-95-13]

**Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Amendment No. 1 to Proposed Rule Change Relating to Amendments to the Exchange's Allocation Policy and Procedures**

July 17, 1995.

**I. Introduction**

On March 31, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section

19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the Exchange's Allocation Policy and Procedures which would permit Floor broker Senior Floor Officials to replace Governors on the Allocation Committee for quorum purposes. On May 17, 1995, the NYSE submitted Amendment No. 1 to the proposed rule change.<sup>3</sup>

The proposed rule change, including Amendment No. 1, was published for comment in Securities Exchange Act Release No. 35776 (May 30, 1995), 60 FR 30135. No comments were received on the proposal.

**II. Description of the Proposals**

The Exchange's Allocation Policy and Procedures ("Policy") governs the allocation of equity securities to NYSE specialist units. The purpose of the Policy is to ensure that each security is allocated in the fairest manner possible to the best specialist unit for that security. The Policy establishes the Allocation Panel<sup>4</sup> and the Allocation Committee.<sup>5</sup> The Allocation Committee consists of three Floor broker Governors,<sup>6</sup> four Floor brokers, and two allied members from the Exchange's Market Performance Committee<sup>7</sup> or from the Allocation Panel. The Exchange believes that the Floor broker Governors on the Allocation Committee add a comprehensive knowledge of specialist performance and a broad perspective and expertise relating to the Exchange. In furtherance of this belief, the Policy's quorum requirement requires that at least two Floor broker

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

<sup>2</sup> 17 C.F.R. 240.19b-4.

<sup>3</sup> See Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Elisa Metzger, Senior Counsel, SEC dated May 16, 1995.

<sup>4</sup> The Allocation Panel comprises the pool of individuals from which the Allocation Committee is formed. The Allocation Panel members are selected through an annual appointment process with input from the membership. Panel members are appointed to serve a one-year term; Floor broker Governors, however, remain on the Allocation Panel for as long as they are Floor broker Governors.

<sup>5</sup> This committee determines which specialist unit will specialize in a particular security. See Securities Exchange Act Release No. 34626 (September 1, 1994), 59 FR 46457.

<sup>6</sup> A Floor broker Governor is an individual, designated as such by the Chairman of the Exchange's Board of Directors, who is empowered to perform any duty, make any decision or take any action assigned to or required of a Floor Director as prescribed by the rules of the Exchange's Board of Directors.

<sup>7</sup> An allied member is a general partner, principal executive officer or employee who controls a member firm or member organization. See New York Stock Exchange, Inc., Constitution, Art. 1, Sec. 3(c).

<sup>10</sup> 17 CFR 300.30-3(a)(12) (1994).