

issued to Washington Public Power Supply System (WPPSS, or the licensee) for operation of the WPPSS Nuclear Project No. 2, located in Benton County, Washington.

Environmental Assessment

Identification of the Proposed Action

The proposed action would modify the Index of the WNP-2 Technical Specifications (TS) to remove reference to the TS Bases pages.

The proposed action is in accordance with the licensee's application for amendment dated June 6, 1995.

The Need for the Proposed Action

The proposed action deletes reference to the TS Bases pages and is in accordance with 10 CFR 50.36(a), which indicates that the Bases shall not become a part of the TS.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that the modification to the Index of the WNP-2 TS is administrative in nature.

The change will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in the allowable individual or cumulative occupational radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does involve features located entirely within the restricted area as defined in 10 CFR part 20. It does not affect nonradiological plant effluents and has no other environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for WNP-2.

Agencies and Persons Consulted

In accordance with its stated policy, on October 5, 1995, the staff consulted with the Washington State official, Mr. R. R. Cowley of the Department of Health, State of Washington Energy Facility Site Evaluation Council, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated June 6, 1995, which is available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC 20555, and at the local public document room located at the Richland Public Library, 955 Northgate Street, Richland, Washington 99352.

Dated at Rockville, Maryland, this 6th day of October 1995.

For the Nuclear Regulatory Commission,
Kristine M. Thomas,
Acting Project Manager, Project Directorate IV-2, Division of Reactor Projects III/IV, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36331; File No. SR-CBOE-95-49]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Telephones on the Floor of the Exchange

October 3, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 25, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" 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.

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

The CBOE has adopted a Regulatory Circular governing the use of member-owned or Exchange-owned telephones located at the trading post where options on the Standard & Poor's 100 Stock Index ("OEX Options") are traded, and has determined to file this Circular as a proposed rule change pursuant to Section 19(b)(2) of the Act.

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

The purpose of the Regulatory Circular is to permit telephones located at the OEX trading post on the floor of the Exchange to provide members and clerks with access to outside lines for outgoing calls, subject to the conditions set forth in the Circular. With the exception of the prohibition on the use of telephones at the OEX trading post to receive incoming calls, these conditions are the same as those previously approved by the Commission governing the use of telephones at the equity option trading posts on the floor of the CBOE.²

Exchange Rule 6.23 prohibits members from establishing or maintaining any telephone or other wire communications between their offices and the Exchange floor without prior approval by the Exchange, and it

¹ 15 U.S.C. 78s(b)(1) (1988).

² See Securities Exchange Act Release No. 33701 (March 2, 1994), 59 FR 11336.

authorizes the Exchange to direct the discontinuance of any communication facility terminating on the Exchange floor. Pursuant to this rule, the Exchange adopted the Regulatory Circular to permit the installation of outside telephone lines at the OEX trading post, and to adopt conditions governing their use. The Exchange believes that the installation of outside telephone lines at the OEX trading post, subject to the conditions set forth in the Regulatory Circular, will allow members in the OEX trading crowd to communicate more effectively and efficiently with persons located off the floor, which in turn will improve the efficiency of the OEX market and provide better execution of options orders to the benefit of investors.

The proposed rule change also imposes user fees on members who are approved to use Exchange-installed telephones located at the OEX trading post. These fees are adopted pursuant to Exchange Rule 2.22, which permits the Exchange to impose fees on members for the use of Exchange facilities or for any services or privileges granted by the Exchange.

The conditions imposed by the Regulatory Circular on the use of telephones at the OEX trading post are as follows:

1. The telephones may not be used to receive orders, but may be used to provide quotes that have been publicly disseminated pursuant to Rule 6.43.

2. Members may give their clerks their PIN access code. Although both members and clerks may use the telephones, members will have priority. Each member will be responsible for all calls made using that member's PIN access code.

3. Headsets will not be permitted on the telephones in the post pit. Portable or cellular phones also will not be permitted.

4. Clerks will not be permitted to establish a base of operation utilizing telephones at the OEX post.

5. Members and their clerks using the telephones are required to consent to recording of conversations on telephones at the OEX post.

6. The telephones are to be used for voice service only. Data services (PC's, fax, etc.) will remain subject to Exchange consent under a separate program.

7. Only outgoing calls may be made on the telephones; incoming calls are not permitted.

The Exchange intends to enforce these conditions as rules of the Exchange, and has advised members that violations may lead to formal disciplinary proceedings.

By restricting floor telephones at the OEX post to hardwired devices only and not allowing cellular, portable, or headset telephones, the Exchange believes it will better be able to monitor and control telephone usage at the trading post, and minimize disruption of trading at the post. In addition, currently available technology would not permit a large number of portable or cellular telephones to be used in the environment of the trading floor without significant deterioration or interruption of service.

The Exchange has determined that telephones at the OEX trading post should be limited to outgoing calls only and should not be used to receive customer orders until further consideration can be given to relevant regulatory issues, including how to provide customers with access to the trading floor on a fair and non-discriminatory basis, how to assure that persons on the floor are qualified to receive orders directly from customers, and how to surveil order-taking activity conducted over floor telephones. The Exchange intends to consider these issues in the near future, and depending on its conclusions, the Exchange may determine to revise or eliminate these conditions pursuant to a subsequent rule filing under Section 19(b) of the Act.

As with the use of telephones at the equity trading posts, the Exchange intends to police compliance with the conditions applicable to the use of telephones at the OEX post by means of customary floor surveillance procedures, including reliance on surveillance procedures, including reliance on surveillance by Floor Officials and Exchange employees.

Because there are no restrictions on where a member may place an outgoing call, telephones at the OEX trading post may be used to place orders in equity or futures markets.³ To the extent that this might raise concerns over the possibility of misuse of non-public information available at the OEX trading post, it should be noted that the S&P 100 Index, on which OEX options are based, is a capitalization-weighted index of 100 different blue chip stocks. The fact that the value of OEX options is derived from the value of these stocks, combined with the large number of stocks included in the index, suggests that the type of information that may be available at the OEX trading post is not

³The telephone policy also allows members to use the floor telephones for the purpose of providing quotations on OEX options. In using the telephones for this purpose, members may only provide quotations that have been publicly disseminated pursuant to CBOE Rule 6.43.

likely to be significant in predicting future changes in the index. In any event, the Exchange believes that the surveillance procedures it has in place will detect and deter any attempts at misuse of non-public information related to OEX options. The Exchange shares surveillance information through the Intermarket Surveillance Group ("ISG") with other stock and options markets, and also has in place a surveillance sharing agreement with the Chicago Mercantile Exchange, which provides a market in futures on the S&P 500 Index.⁴

The proposed fees for the use of the telephones will generally be the same as those charged for the use of telephones at the equity trading posts. Specifically, local calls over Exchange telephones will be charged at 10 cents per minute. Long distance calls over Exchange telephones will be charged at a rate 25% greater than the Exchange's direct costs. In addition, the Exchange will charge a \$5 monthly fee for the use of the phones.

The Exchange believes that its proposal is consistent with and furthers the objectives of Section 6(b)(5) of the Act in that it is designed to improve communications between the Exchange's trading floor and off-floor locations in a manner that promotes just and equitable principles of trade, prevents fraudulent and manipulative acts and practices, fosters cooperation and coordination with persons engaging in facilitating transactions in securities, and removes impediments to and perfects the mechanism of a free and open market and national market system.

In addition, the Exchange believes that the proposed rule change with respect to the fees is consistent with Section 6(b)(4) of the Act in that it is designed to provide for the equitable allocation of reasonable dues, fees, and charges among CBOE members.

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

CBOE believes that the Regulatory Circular's prohibition on the use of headsets and portable and cellular telephones and its prohibition on the

⁴SG was formed on July 14, 1983 to, among other things, coordinate more effectively surveillance and investigate information sharing arrangements in the stock and options market. Because of potential opportunities for trading abuses involving stock index futures, stock options, and the underlying stocks and the need for greater sharing of surveillance information for these potential intermarket trading abuses, the Chicago Mercantile Exchange and the Chicago Board of Trade joined the ISG as affiliate members in 1990. See Intermarket Surveillance Group Agreement, July 14, 1983.

use of telephones to receive incoming calls or to receive orders do not have any anti-competitive effects that are not justified by legitimate regulatory concerns. All members at the OEX trading post will have the same access to telephone communications. This is likely to minimize existing differences among floor members in terms of their ability to communicate with off-floor locations. While some persons off the floor might be competitively advantaged if they were able to place calls directly to the OEX trading post and to place orders directly with members at the post, since most investors would not be able to do this even if it were permitted, there could be questions of unfair competition in the absence of the restrictions that are embodied in the Regulatory Circular. Further, before off-floor customers are permitted to place orders directly with floor members, the Exchange must give further consideration to regulatory concerns, including the possible misuse of non-public information, the need to assure compliance with rules designed to assure the qualifications of members who accept orders directly from public customers, and how to provide audit-trail surveillance over this activity. Until these concerns have been addressed, the Exchange believes that it is justified in limiting the use of telephones at the OEX post as provided in the Regulatory Circular.

(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.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

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, NW., Washington, DC 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, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory. All submissions should refer to File No. SR-CBOE-95-49 and should be submitted by November 3, 1995.

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

Jonathan G. Katz,

Secretary.

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[Release No. 34-36332; File No. SR-CBOE-95-48]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Board Options Exchange, Inc., Relating to the Use of Proprietary Brokerage Order Routing Terminals on the Floor of the Exchange

October 4, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 25, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" 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. On October 3, 1995, the Exchange filed Amendment No. 1 to the proposed rule change.² The Commission

⁵ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² In Amendment No. 1, the CBOE states that Section II.C. of Exhibit 1 to its Form 19b-4 filing incorporates by reference the language from Section 5 of its Form 19b-4 filing ("Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members,

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 CBOE proposes to adopt a policy pursuant to its Rule 6.23.³ Under the proposed policy, no member will be permitted to establish, maintain or use on the floor of the Exchange any proprietary brokerage order routing terminal and its related system ("Terminal") without the written approval of the Exchange. No Terminal will be approved unless and until the member who proposes to establish it on the floor of the Exchange has filed with the Exchange an "Application & Agreement for Brokerage/Order Routing Terminals in Trading Crowds" ("Application Agreement"), and, until further action of the Board of Directors of the Exchange, Terminals will be approved solely for the use in the crowd trading S&P 500 Index options ("SPX options") for the routing of orders in SPX options.

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

A firm that has applied and been approved for membership on the Exchange (but which has not yet completed the process of becoming an effective member)⁴ has sought Exchange

Participants, or Others"). Letter from Burton R. Rissman, Schiff Hardin & Waite, to Francois Mazur, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated October 3, 1995 ("Amendment No. 1").

³ The proposed policy was submitted to the Commission as Exhibit A to the filing and is available from the Commission at the address provided in Part IV of this notice, as well as at the principal office of the CBOE.

⁴ Pursuant to an extension granted by the membership committee, the firm may become an effective member at any time on or prior to