

rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public interest.¹²

The Exchange has represented that the enhanced parity split for 3D FCOs is not frequently used and has not served as an effective means of attracting order flow to the Exchange. When the enhanced parity split for 3D FCOs was initially approved, the Commission stated that it was reasonable for the Exchange to grant these benefits to specialists as long as they did not unreasonably restrain competition or harm investors. In addition, the Commission believed that granting these benefits to specialists was within the business judgement of the Exchange.¹³ Similarly, the Commission believes that it is within the business judgement of the Exchange to eliminate these benefits to specialists, provided that competition is not unreasonably restrained nor investors harmed. Accordingly, the Commission believes that it is reasonable for the Exchange to rescind the enhanced parity split and examine other potential methods of attracting order flow to the Exchange.

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Amendment No. 1 does not change the nature of the proposal, but merely conforms Options Floor Procedure Advice B-7 to reflect the elimination of the enhanced specialist split for 3D FCOs. Further, the Commission notes that the original proposal was published for the full 21-day comment period and no comments were received by the Commission. Accordingly, the Commission believes it is appropriate to approve Amendment No. 1 to the Exchange's proposal on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1. 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 at the Commission's Public Reference Room. 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-Phlx-97-25 and should be submitted by October 6, 1997.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the proposed rule change (SR-Phlx-97-25) is approved, as amended.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Finance Docket No. 32760]

Union Pacific Railroad Company— Control and Merger—Southern Pacific Transportation Company: Reno Mitigation Study, Preliminary Mitigation Plan

AGENCY: Surface Transportation Board, Transportation.

ACTION: Issuance of Preliminary Mitigation Plan (PMP), request for public comment, and notice of public meetings.

SUMMARY: The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) will issue the Preliminary Mitigation Plan (PMP) for the Reno, NV Mitigation Study on September 15, 1997, for public review and comment. On August 12, 1996, in Decision No. 44, the Board approved the Union Pacific/Southern Pacific merger. As part of its approval, the Board directed SEA to conduct a mitigation study to develop additional tailored environmental mitigation measures (beyond those already imposed in Decision No. 44) to address

unique local conditions in Reno and Washoe County regarding the potential environmental impacts of increased rail traffic. The preliminary results of this study and SEA's preliminary recommendations for additional environmental mitigation measures are reflected in the PMP. SEA encourages public comment on the PMP during the 30-day review period, which will end on October 15, 1997. SEA will distribute copies of the PMP to interested parties. In addition, copies of the PMP will be available at the Reno and Sparks branches of the Washoe County Public Library, or by request by calling (202) 565-1539.

SEA will hold two public information meetings on October 9, 1997, to provide the public with further opportunity to comment on the PMP and receive additional information. SEA will consider all public comments and issue a Final Mitigation Plan (FMP) for public review and comment. Based on the PMP, FMP, and public comments, SEA will then make its final recommendations to the Board. The public information meetings will be held on October 9, 1997, at Reno City Hall, 490 South Center Street, Reno, NV. The afternoon meeting will include an informal open house from 1:30 p.m.-2:30 p.m., followed by a presentation and formal public meeting beginning at 2:30 p.m. The evening meeting will include an informal open house from 6:00 p.m.-7:00 p.m., and a formal public meeting beginning at 7:00 p.m.

Public comments should be submitted in writing (one original plus 10 copies), no later than October 15, 1997, to: Office of the Secretary, Case Control Unit, *Finance Docket No. 32760*, Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423-0001. Mark the lower left hand corner of the envelope: Attention: Elaine K. Kaiser, Chief, Section of Environmental Analysis, Environmental Filing—Reno.

FOR FURTHER INFORMATION CONTACT:

Harold McNulty, Section of Environmental Analysis, Room 500, Surface Transportation Board, 1925 K Street, NW., Washington, DC 20423, (202) 565-1539, TDD for the hearing impaired: (202) 565-1695.

By the Board, Elaine K. Kaiser, Chief, Section of Environmental Analysis.

Vernon A. Williams,

Secretary.

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¹² In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹³ See Original Split Approval Order, *supra* note 6.

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 17 CFR 200.30-3(a)(12).