

configuration management program, and (7) creation of a System Engineering Department.

The NRC staff has concluded that the Licensee's proposed actions and schedule are acceptable and that the facility may be operated while the Licensee works to resolve these issues. The staff will continue to follow the Licensee's progress to improve the facility's design-basis documentation and implement the initiatives outlined in its October 27, 1997 letter through the normal inspection process. A detailed design inspection by the NRC staff of an additional safety system is not warranted at this time.

2. "NRC with an outside contractor and VY [Vermont Yankee] conduct a review of all backup safety systems to assure adequacy of these systems in order to protect worker and public health and safety."

As stated in the reply to Item 1 above, the NRC staff has conducted a detailed design inspection of two selected systems at the Vermont Yankee facility. The inspection team found the two systems capable of performing their intended design functions. As discussed in Item 1 above, the inspection report also documented several issues of programmatic concern. The NRC staff has determined that the Licensee's response to these programmatic concerns is acceptable and implementation of the Licensee's actions will be assessed during followup inspections. Overall, the staff finds that the detailed design inspection and the followup inspection activities provide adequate assurance of public health and safety and that a design review inspection of additional safety systems is not warranted at this time.

3. "Given the lack of thoroughness by the licensee and significant flaws in the FSAR and design basis evaluation, CAN questions Region I staff's competence to effectively oversee reactors under its authority. We therefore request that the archive of NRC's oversight failures at VY [Vermont Yankee] be added to the Inspector General's investigation of complicity and systematic failure to enforce NRC regulations by NRC staff in Region I and Project Directorates."

With regard to this request, CAN's letter has been forwarded to the Office of the Inspector General.

III. Conclusion

The NRC staff has reviewed the information submitted by the Petitioner. The Petitioner's request is granted in part in that the NRC staff has evaluated all of the issues raised in the two Memoranda and the supplemental letter provided by the Petitioner to see if

enforcement action is warranted on the basis of the information contained therein. In the Partial and the Final Director's Decision, the NRC staff has discussed each Memorandum and the supplemental letter and described any related enforcement action that was taken. The Petitioner's supplemental request that the NRC, in conjunction with an outside contractor, conduct additional review of safety systems at the Vermont Yankee facility is denied. With respect to the supplemental request for an investigation of NRC oversight of the Vermont Yankee facility, the Petitioner's supplemental letter was forwarded to the Office of the Inspector General.

As provided in 10 CFR 2.206(c), a copy of this Decision will be filed with the Secretary of the Commission for the Commission's review. This Decision will constitute the final action of the Commission 25 days after issuance, unless the Commission, on its own motion, institutes review of the Decision in that time.

Dated at Rockville, Maryland, this 29th day of December 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 98-371 Filed 1-6-98; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

Degradation of Steam Generator Internals; Issue

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of issuance.

SUMMARY: The Nuclear Regulatory Commission (NRC) has issued Generic Letter (GL) 97-06 to all holders of operating licenses for pressurized-water reactors, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel, to (1) again alert addressees to the previously communicated findings of damage to steam generator internals, namely, tube support plates and tube bundle wrappers, at foreign PWR facilities; (2) alert addressees to recent findings of damage to steam generator tube support plates at a U.S. PWR facility; (3) emphasize to addressees the importance of performing comprehensive examinations of steam generator internals to ensure steam generator tube structural integrity is maintained in accordance with the

requirements of Appendix B to 10 CFR Part 50; and (4) require all addressees to submit information that will enable the NRC staff to verify whether addressees' steam generator internals comply with and conform to the current licensing bases for their respective facilities. This generic letter only requests information from the addressees under the provisions of Section 182a of the Atomic Energy Act, as amended, and 10 CFR 50.54(f).

The generic letter is available in the NRC Public Document Room under accession number 9712180168.

DATES: The generic letter was issued on December 30, 1997.

ADDRESSEES: Not applicable.

FOR FURTHER INFORMATION CONTACT: Stephanie M. Coffin, at (301) 415-2778.

SUPPLEMENTARY INFORMATION: This generic letter does not constitute a backfit as defined in 10 CFR 50.109(a)(1) since it does not impose modifications of or additions to structures, systems or components or to design or operation of an addressee's facility. It also does not impose an interpretation of the Commission's rules that is either new or different from a previous staff position. The staff, therefore, has not performed a backfit analysis.

Dated at Rockville, Maryland, this 30th day of December 1997.

For the Nuclear Regulatory Commission.

David B. Matthews,

Acting Director, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

[FR Doc. 98-372 Filed 1-6-98; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Nuclear Regulatory Commission.

DATE: Weeks of January 5, 12, 19, and 26, 1998.

PLACE: Commissioners' Conference Room, 11555 Rockville Pike, Rockville, Maryland.

STATUS: Public and Closed.

MATTERS TO BE CONSIDERED:

Week of January 5

There are no meetings the week of January 5.

Week of January 12—Tentative

Thursday, January 15

9:00 a.m.

Affirmation Session (Public Meeting)
(if needed)

Week of January 19—Tentative*Wednesday, January 21*

10:00 a.m.

Briefing on Operating Reactors and Fuel Facilities, (Public Meeting), (Contact: William Dean, 301-415-1726)

2:00 p.m.

Briefing on Material Control of Generally License Devices, (Public Meeting), (Contact: Larry Camper, 301-415-7231)

3:30 p.m.

Affirmation Session, (Public Meeting)

Friday, January 23

9:30 a.m.

Discussion of Interagency Issues (Closed—Ex. 9)

Week of January 26—Tentative*Wednesday, January 28*

11:30 a.m.

Affirmation Session (Public Meeting), (if needed)

* The schedule for Commission meetings is subject to change on short notice. To verify the status of meetings call (recording)—(301) 415-1292. Contact person for more information: Bill Hill (301) 415-1661.

* * * * *

The NRC Commission Meeting Schedule can be found on the Internet at: <http://www.nrc.gov/SECY/smj/schedule.htm>

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This notice is distributed by mail to several hundred subscribers; if you no longer wish to receive it, or would like to be added to it, please contact the Office of the Secretary, Attn: Operations Branch, Washington, D.C. 20555 (301-415-1661).

In addition, distribution of this meeting notice over the Internet system is available. If you are interested in receiving this Commission meeting schedule electronically, please send an electronic message to wmh@nrc.gov or dkw@nrc.gov.

Dated: December 31, 1997.

William M. Hill, Jr.,

Secy Tracking Officer, Office of the Secretary.
[FR Doc. 98-462 Filed 1-5-98; 12:55 pm]

BILLING CODE 7590-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 39490, File No. SR-NASD-97-50]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change By the NASD To Extend From 15 Seconds to 17 Seconds the Amount of Time a Market Maker Has To Update Its Quote After an Order Execution in SOES Before Being Required To Execute a Subsequent Order

December 24, 1997.

On July 14, 1997, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act"),¹ and Rule 19b-4 thereunder.² The proposal amends NASD Rule 4730(b)(1) to indicate that once the Nasdaq Stock Market, Inc.'s ("Nasdaq") Small Order Execution System ("SOES") executes an unpreferred market order or a marketable limit order against a SOES market maker, that market maker is not required to execute another unpreferred SOES order at the same bid or offer in the same security until 17 seconds have elapsed, absent a quotation update by the market maker within such 17-second period. On July 24, 1997, notice of the proposed rule change, including the substance of the proposal, was published for comment in the **Federal Register**.³ The Commission received 64 comment letters, which are discussed below. The Commission is hereby approving the proposed rule change.

I. Description

The proposed rule change specifies the obligations of SOES market makers during non-locked and non-crossed market situations. As amended, NASD Rule 4730(b)(1) would provide that once SOES executes an unpreferred market order or a marketable limit order against a SOES market maker, that market maker is not required to execute another unpreferred SOES order at the same bid or offer in the same security until 17 seconds have elapsed, absent a quotation update by the market maker within that 17-second period.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 38849 (July 17, 1997) 62 FR 39883 (July 24, 1997).

Currently, NASD Rule 4730(b)(1) provides that:

Market Makers shall have a period of time following their receipt of an execution report in which to update their quotation in the security in question before being required to execute another unpreferred order at the same bid or offer in the same security. This period of time shall initially be established as 15 seconds, but may be modified upon appropriate notification to SOES participants.

This language was originally added to the NASD's rules in October 1991 to give a SOES market maker a brief opportunity to update its quotations in response to executions it received through SOES ("15-Second SOES Execution Response Period"). As the current language of NASD Rule 4730(b) reflects, the "15-Second SOES Execution Response Period" commences when a market maker has received notification of a SOES execution through the system.⁴ Because SOES does not have the capability to determine the exact time when a market maker receives a SOES execution report, at the time this rule was implemented Nasdaq estimated that it took up to five seconds for SOES to execute an order against a market maker and for the market maker to receive a report of the execution (the "SOES Execution Report Communication Period"). As a result, SOES was programmed to add uniformly a five-second period to the "15-Second SOES Execution Response Period," with the effect that the system executes unpreferred market orders against a market maker in twenty-second intervals, absent a quotation update by the market maker.

Nasdaq now estimates that on average, the SOES Execution Report Communication Period is between two and three seconds, although the actual time may vary depending on activity and communications traffic during different periods of the day. Based on this data, the NASD determined that it was appropriate to assign a two-second period to the SOES Execution Report Communications Period for purposes of the rule.

The NASD proposes to incorporate explicitly this two-second period into NASD Rule 4730. The proposed rule change is designed to retain the ability of a market maker to respond to SOES executions while recognizing that,

⁴ See Exchange Act Release No. 29810 (October 10, 1991) 56 FR 52098, 52099 (October 17, 1991) (order approving file no. SR-NASD-91-18) ("[f]ollowing receipt of an execution report of an unpreferred purchase or sale through SOES, a market maker will have a period of time (15 seconds) to update its quote prior to executing any subsequent transaction on the same side of the market at the same price." [Footnote omitted].)