

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

Written comments relating to the proposed rule change have not yet been solicited or received. OCC will notify the Commission of any written comments received by OCC.

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

Within thirty-five 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 ninety 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, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-99-14 and should be submitted by August 7, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-18007 Filed 7-14-00; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-43022; File No. SR-OCC-99-12]

**Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Adjustments to Index Options**

July 11, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on November 2, 1999, The Options Clearing Corporation ("OCC") 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 OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

**I. Self-Regulatory Organizations Statement of the Terms of Substance of the Proposed Rule Change**

The proposed rule change would amend OCC's By-Laws governing index option adjustment to permit the substitution of a successor index for an underlying index.

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

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

<sup>4</sup> 17 CFR 200.30-3(a)(12).

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

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

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

The primary reason for the proposed rule change is to provide for the substitution of a successor index for an underlying index. Because substitution of a successor index for an underlying index may require changes to the terms of outstanding options, OCC also seeks the authority to make adjustments to such terms as necessary to reflect the substitution. While OCC believes such substitution and adjustment are already implicitly provided for under the provisions of OCC's By-Laws at Article XVII, Section 4 ("Unavailability or Inaccuracy of Current Index Value"), OCC seeks to clarify its authority through the proposed rule change.

New paragraph (d) of Article XVII, Section 3 will provide that a successor index may be substituted for an underlying index in the event that the underlying index's publication is discontinued, when the underlying index is replaced with another index, or when an index's composition or method of calculation has so materially changed that it is deemed to be a different index. As in the case of other adjustments, the determination to substitute a successor index and the selection of the index will be made by an adjustment panel. The successor index is to be an index which is deemed to be reasonably comparable to the index for which it substitutes.

Article XVII, Section 3, paragraph (c), which is applicable to adjustments to index options generally, will be amended to provide for adjustments as necessary to accommodate a successor index. In addition, paragraph (c) will be amended to expand the rule in other respects to cover a broader range of potential changes in the calculation of index values and to give added flexibility to OCC in making appropriate adjustments to reflect such changes.

These amendments will grant OCC the authority to adjust outstanding options in the event that an exchange increases or decreases the index multiplier for any index option contract or in the event that any change in the method of calculation of an underlying index creates a discontinuity or change in the level of the index that does not reflect a change in the prices or values of the index's constituent securities. Such a change would occur, for example, if the value of an index were reset from 10,000 to 1,000, which would create a discontinuity that would affect all outstanding options. The changes proposed to Article 1, Section 1 and to Article XVII, Section 1 are designed to

clarify and conform the terminology to usage as it has developed since the index options provisions were originally drafted.

OCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act because it refines and amplifies existing OCC rules that have proven effective in promoting the prompt and accurate clearance and settlement of securities transactions and in safeguarding securities and funds.

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

OCC does not believe that the proposed rule change would impose any burden on competition.

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

Written comments were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such larger period (i) as the Commission may designate up to ninety 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 OCC 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, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. 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 also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-99-12 and should be submitted by August 7, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>3</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-18008 Filed 7-14-00; 8:45 am]

**BILLING CODE 8010-01-M**

**TENNESSEE VALLEY AUTHORITY**

**Sunshine Act Meeting**

**AGENCY HOLDING THE MEETING:** Tennessee Valley Authority (Meeting No. 1521).

**TIME AND DATE:** 9 a.m. (EDT), July 19, 2000.

**PLACE:** TVA Knoxville West Tower Auditorium, 400 West Summit Hill Drive, Knoxville, Tennessee.

**STATUS:** Open.

**Agenda**

Approval of minutes of meeting held on June 21, 2000.

*New Business*

C—Energy

C1. Award of contracts to General Electric Company and TurboCare for the engineering, manufacturing, and supply of steam turbine blades to support TVA's fleet of steam turbine rotors.

E—Real Property Transactions

E1. Sale of a noncommercial, nonexclusive permanent easement to Emerson Fizer affecting approximately 0.017 acre of land on Tellico Reservoir in Loudon County, Tennessee, for the construction, operation, and maintenance of private water-use facilities (Tract No. XTELR-215RE).

E2. Grant of a permanent easement to the City of New Johnsonville, Tennessee, affecting approximately 14 acres of land on Kentucky Reservoir in Humphreys County, Tennessee, for a road (Tract No. XTGIR-937H).

E3. Grant of a permanent easement to the State of Tennessee for highway improvement purposes affecting approximately 0.16 acre of TVA land on Chickamauga Reservoir in Hamilton County, Tennessee (Tract No. XTCR-196H).

<sup>3</sup> 17 CFR 200.30-3(a)(12).

E4. Grant of a permanent easement to the Sevier Water Board, Inc., for the expansion of a water system intake site affecting approximately 1 acre of TVA land on Douglas Reservoir in Sevier County, Tennessee (Tract No. XTDR-34E).

F—Unclassified

1. Approval of file a condemnation case to acquire permanent easements and rights-of-way for transmission lines and a temporary right to enter upon land to survey and appraise for an electric transmission line at Madison West-South Jackson in Madison County, Tennessee, and the Rock Springs-Center Point transmission line in Whitfield County, Georgia.

Information Items

1. Amendments to the section 16, Variable Annuity Plan, and section 1(1) Definitions, of the Rules and Regulations of the TVA Retirement System.

2. Delegation of authority to the Vice President, Fuel Supply and Engineering Services, or such officer's designee, to modify Contract No. P97P01-196487 with Bowie Resources, Limited, resulting from renegotiation under a reopen provision.

3. Approval to implement results of negotiations with the Tennessee Valley Trades and Labor Council over Revised Project Agreements and Wage Rates for Trades and Labor Work Performed by TVA Contractors.

4. Public auction sale of approximately 6.17 acres of TVA's Nashville, Tennessee, Power Service Center site located in Davidson County, Tennessee (Tract No. XNTPSC-3).

5. Approval to file condemnation cases to acquire permanent easements and rights-of-way for the Weaver-Young Cane Transmission Line in Union County, Georgia.

6. Concurrence by the individual Board members of the Board of Directors for the issuance of TVA Power Bonds.

*For more information:* Please call TVA Public Relations at (423) 632-6000, Knoxville, Tennessee. Information is also available at TVA's Washington Office (202) 898-2999. People who plan to attend the meeting and have special needs should call (865) 632-6000.

Dated: July 12, 2000.

**Edward S. Christenbury,**

*General Counsel and Secretary.*

[FR Doc. 00-18129 Filed 7-13-00; 2:08 am]

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