

basis ("Order")<sup>7</sup> requested that the Exchange submit a data report in connection with any extension request such as the one contained herein. Through review of supplemental listing applications submitted since June 4, 1999, the Exchange is determining which newly adopted stock option plans relied on the broadly-based exception set forth in the 1999 Proposal.

The Exchange estimates that given the number of companies involved and the fact that the information is not otherwise necessary for any other compliance reason, it will submit the requisite report to the Commission within forty-five days of this filing. Should the Exchange find that it will take significantly longer to compile the full report, the Exchange will prepare and submit to the Commission an interim report covering the information assembled during the 45-day period while continuing to work expeditiously to complete the report.

In the Order, the Commission noted the concern expressed by several commenters on the 1999 Proposal that the second part of the definition of a broadly-based plan, which focuses on actual grants awarded during the shorter of either the first three years of the life of a plan or the term of the plan itself, does not protect against actions the company may take *after* the first three years. The Commission stated that it expected the Exchange "to monitor and notify those companies that are subject to this rule if it believes that they are not complying with the spirit of the rule by delaying actual awards under a Plan until the three-year period has expired."<sup>8</sup>

The data which the Exchange will obtain from its companies and report to the Commission in connection with this extension request will give some indication of how companies are awarding grants under broadly-based plans, although the Exchange does not

believe that this initial survey will provide any conclusive answers, and of course will not address whether companies will behave differently after the first three years of a plan. Nonetheless, if the grants reported by a company in connection with this survey appear heavily weighted towards officers and directors, the Exchange will counsel management of the company regarding the meaning and intent of the Exchange rule in an effort to assure that overall activity under the plan in the longer term will support the conclusion that the plan is in fact broadly-based.<sup>9</sup> Should the listing markets move to a dilution standard that will replace the broadly-based exception, monitoring for this issue will not be necessary in the long term.

## 2. Basis

The Exchange believes that the proposal is consistent with Section 6(b)(5) of the Act, which, among other things, requires that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that extending the effectiveness of the Pilot until September 30, 2003 is consistent with these objectives because it will enable the Exchange to monitor the actions of listed companies with respect to their broadly-based plans, while permitting industry participants to continue discussions regarding a uniform dilution standard.

### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposal.

### 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, 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR-NYSE-00-32 and should be submitted by August 31, 2000.

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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## SOCIAL SECURITY ADMINISTRATION

### Privacy Act of 1974, as Amended; New System of Records and Routine Use Disclosures

**AGENCY:** Social Security Administration (SSA).

**ACTION:** New system of records and proposed new routine uses.

**SUMMARY:** In accordance with the Privacy Act (5 U.S.C. 552a(e)(4) and (e)(11)), we are issuing public notice of our intent to establish a new system of records entitled, the *Social Security*

<sup>7</sup> See *supra* note 4.

<sup>8</sup> The Commission notes that the Order directed the NYSE to address concerns raised regarding the three-year limit for reviewing grants awarded under broadly-based plans in any request to extend the Pilot by monitoring whether companies continue to administer plans in a broadly-based fashion to determine whether changes need to be made to the participation prong. Specifically, the Commission stated that the NYSE should address whether the development of a rolling three-year period or other alternative would be more appropriate to ensure that plans are administered in a broadly-based manner. Further, the Commission directed the NYSE to submit a monitoring report including, at a minimum, information on the types and number of employees who are eligible to participate in broadly-based stock options plans, as well as information concerning actual awards being made under such plans. The Commission expects that the monitoring report due to be submitted to the Commission will contain such information.

<sup>9</sup> See *supra* note 8.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

*Administration's (SSA's) Mandate Against Red Tape* (hereinafter referred to as SMART). The proposed SMART system will maintain information collected for use in connection with SSA's implementation of a process for capturing and addressing employees' requests for waiver of internal Agency rules and procedures in order to improve work processes and working conditions, provide better customer service and encourage employee participation. The proposed new system of records will provide for routine use disclosures in connection with our administration of the Social Security Act, or disclosures mandated by Federal law. We invite public comment on this proposal.

**DATES:** We filed a report of the proposed new system of records with the President of the Senate, the Speaker of the House of Representatives, and the Director, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on August 3, 2000. We have asked OMB to waive the 40-day advance notice requirement for the proposed SMART system. If OMB does grant the waiver, we will not implement before September 12, 2000, unless we receive comments which would warrant the system of records not being implemented.

**ADDRESSES:** Interested individuals may comment on this publication by writing to the SSA Privacy Officer, Social Security Administration, 3-A-6 Operations Building, 6401 Security Boulevard, Baltimore, Maryland 21235. All comments received will be available for public inspection at the above address.

**FOR FURTHER INFORMATION CONTACT:** Nancy Daniels, Program Analyst, Social Security Administration, Room 3-B-3 Operations Building, 6401 Security Boulevard, Baltimore, Maryland 21235, telephone (410) 965-1461.

#### **SUPPLEMENTARY INFORMATION:**

### **1. Background and Purpose of the Proposed Smart System**

On April 21, 1998, President Clinton issued an Executive Memorandum regarding streamlining the granting of waivers. This Executive Memorandum directs Federal Agencies to adopt practices that effectively encourage innovation through granting employees waivers from certain internal Agency rules.

In response to this Executive Memorandum, the Social Security Administration (SSA) has developed "Social Security Administration's (SSA's) Mandate Against Red Tape" or

"SMART." SMART is an Agency-wide automated process to set aside administrative directives, policies and procedures that provide guidance for office operations, workflows and work processes but that have lost their usefulness and/or effectiveness.

In implementing SMART, the Agency will create a Website on our Intranet. This site will be the primary vehicle for SSA employees to submit SMART waiver requests, and will permit employees to see what waiver requests have been previously submitted and monitor the status of all requests within the review and approval process. Each SMART request submitted will receive a SMART request number that the employee can use to track that request. Because SSA can also retrieve information from the SMART system using employees' names and SSNs, the SMART system will constitute a system of records under the Privacy Act.

### **2. Collection, Maintenance, and Use of Data in the Proposed Smart System**

We will obtain the information from our employees that will be maintained in the SMART automated system of records. The information will pertain to waivers requesting SSA to eliminate and/or set aside administrative directives, policies and procedures that provide guidance for office operations, workflows and work processes but that have lost their usefulness and/or effectiveness. The information maintained in the SMART system will include: identifying information such as employee's pay plan, employee's series and grade, position title, organization/office, Social Security number (SSN), timekeeper number, e-mail, FAX, Internet, and telephone number. We will maintain and retrieve this information by the employee's SMART request number.

### **3. Proposed Routine Use Disclosures of Data That Will be Maintained in the Proposed Smart System**

We are proposing to establish routine uses of information that will be maintained in the proposed system as discussed below.

A. Disclosure to the Office of the President for the purpose of responding to an individual pursuant to an inquiry received from that individual or from a third party on his or her behalf.

We will disclose information under this routine use only in situations in which an individual may contact the Office of the President, seeking that office's assistance in an SSA matter on his or her behalf involving this system of records. Information would be disclosed when the Office of the

President makes an inquiry and presents evidence that the Office is acting on behalf of the individual whose record is requested.

B. Disclosure to a congressional office in response to an inquiry from that office made at the request of the subject of a record.

We will disclose information under this routine use only in situations in which an individual may ask his or her congressional representative to intercede in an SSA matter on his or her behalf. Information would be disclosed when the congressional representative makes an inquiry and presents evidence that he or she is acting on behalf of the individual whose record is requested.

C. To Department of Justice (DOJ), a court, or other tribunal (either foreign or domestic), or another party before such tribunal when:

(1) SSA, or any component thereof; or  
(2) Any SSA employee in his/her official capacity; or

(3) Any SSA employee in his/her individual capacity where DOJ (or SSA where it is authorized to do so) has agreed to represent the employee; or

(4) The United States or any agency thereof where SSA determines that the litigation is likely to affect the operations of SSA or any of its components, is a party to the litigation or has an interest in such litigation, and SSA determines that the use of such records by DOJ, the court, or other tribunal is relevant and necessary to the litigation, provided, however, that in each case, SSA determines that such disclosure is compatible with the purposes for which the records were collected.

We will disclose information under this routine use only as necessary to enable DOJ, a court, or other tribunal, to effectively defend SSA, its components or employees in litigation involving this system of records.

D. Disclosures to student volunteers and other workers, who do not have the status of Federal employees, when they are performing work for SSA as authorized by law, and they need access to personally identifiable information in SSA records in order to perform their assigned Agency functions.

Under certain Federal statutes, SSA is authorized to use the services of volunteers and participants in certain educational, training, employment and community service programs. Examples of such statutes and programs are: 5 U.S.C. 3111 regarding student volunteers; and 42 U.S.C. 2753 regarding the College Work-Study Program. We contemplate disclosing information under this routine use only

when SSA uses the services of these individuals and they need access to information in this system to perform their assigned duties.

E. Disclosure to contractors and other Federal agencies, as necessary, for the purpose of assisting SSA in the efficient administration of its programs.

We will disclose information under this routine use only in situations in which SSA may enter into a contractual agreement or similar agreement with a third party to assist in accomplishing an agency function relating to this system of records.

F. Nontax return information which is not restricted from disclosure by Federal law may be disclosed to the General Services Administration (GSA) and the National Archives and Records Administration (NARA) under 44 U.S.C. 2904 and 2906, as amended by NARA Act of 1984, for the use of those agencies in conducting records management studies.

The Administrator of GSA and the Archivist of NARA are charged by 44 U.S.C. 2904 with promulgating standards, procedures and guidelines regarding records management and conducting records management studies. Section 2906 of that law, also amended by the NARA Act of 1984, provides that GSA and NARA are to have access to Federal agencies' records and that agencies are to cooperate with GSA and NARA. In carrying out these responsibilities, it may be necessary for GSA and NARA to have access to this proposed system of records. In such instances, the routine use will facilitate disclosure.

#### **4. Compatibility of Proposed Routine Uses**

The Privacy Act (5 U.S.C. 552a(a)(7) and 552a(b)(3)) and our disclosure regulations (20 CFR Part 401) permit us to disclose information under a published routine use for a purpose which is compatible with the purpose for which we collected the information. Section 401.150(c) of the regulations permits us to disclose information under a routine use where necessary to assist in carrying out SSA programs. Section 401.120 of the regulations provides that we will disclose information when a law specifically requires the disclosure. The proposed routine uses lettered A-E above will ensure efficient administration of Social Security programs; the disclosures that would be made under routine use "F" are required by Federal law. Thus, all of the routine uses are appropriate and meet the relevant statutory and regulatory criteria.

#### **5. Records Storage Medium and Safeguards For The Proposed Smart System**

We will maintain information in the proposed SMART system in electronic form, computer data systems, and paper form. Only authorized SSA personnel who have a need for the information in the performance of their official duties will be permitted access to the information.

Security measures include the use of access codes to enter the computer systems that will maintain the data, and storage of the computerized records in secured areas that are accessible only to employees who require the information in performing their official duties. Any manually maintained records will be kept in locked cabinets or in otherwise secure areas. Also, all entrances and exits to SSA buildings are patrolled by security guards. Contractor personnel having access to data in the proposed and altered systems of records will be required to adhere to SSA rules concerning safeguards, access and use of the data. SSA personnel having access to the data on these systems will be informed of the criminal penalties of the Privacy Act for unauthorized access to or disclosure of information maintained in these systems. See 5 U.S.C. 552a(i)(1).

#### **6. Effect of the Proposed Smart System on the Rights of Individuals**

The proposed SMART system will enable SSA employees to request waivers of internal Agency rules which will lead to improved work processes and working conditions, provide better customer service and encourage employee participation. We will not use the information in any manner that will be adverse to the individuals to whom it pertains. Thus, we do not anticipate that the SMART system will have any unwarranted adverse effect on individuals.

Dated: August 3, 2000.

**Kenneth S. Apfel,**

*Commissioner of Social Security.*

**60-0279**

#### **SYSTEM NAME:**

SSA's Mandate Against Red Tape (SMART) Program Records, SSA/COSS/OCSI.

#### **SECURITY CLASSIFICATION:**

None.

#### **SYSTEM LOCATION:**

Social Security Administration (SSA), Office of the Commissioner, Office of Customer Service Integration (OCSI), 450 Altmeyer Building, 6401 Security Boulevard, Baltimore, Maryland 21235.

#### **CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

SSA employees who have made requests that the SSA eliminate and/or set aside administrative directives, policies and procedures that provide guidance for office operations, workflows and work processes that have lost their usefulness and/or effectiveness. Such requests for waivers of internal rules give employees real opportunities to perform their jobs faster, better and cost effectively.

#### **CATEGORIES OF RECORDS IN THE SYSTEM:**

Requests, evaluations of requests, name and office address of individual submitting the request and evaluating the request, other identifying information such as employee's pay plan, employee's series and grade, position title, organization/office, Social Security number (SSN), timekeeper number, e-mail address, FAX number, Internet address, and telephone number.

#### **AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

42 U.S.C. 405A and 5 U.S.C. 301.

#### **PURPOSE(S):**

Records in this system are used to control, evaluate, approve and adopt practices that effectively encourage innovation through granting employees waivers from certain internal agency rules. These records are maintained within the Office of the Commissioner, Office of Customer Service Integration (OCSI) in SSA.

#### **ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:**

Disclosure may be made for routine uses as indicated below:

1. Disclosure to the Office of the President for the purpose of responding to an individual pursuant to an inquiry received from that individual or from a third party on his or her behalf.

2. Disclosure to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of that individual.

3. Disclosure to the Department of Justice (DOJ), to a court or other tribunal, or to another party before such tribunal, when

(a) SSA, or any component thereof; or  
(b) Any SSA employee in his/her official capacity; or

(c) Any SSA employee in his/her individual capacity where DOJ (or SSA, where it is authorized to do so) has agreed to represent the employee; or

(d) The United States or any agency thereof where SSA determines that the

litigation is likely to affect SSA or any of its components, is party to litigation or has an interest in such litigation, and SSA determines that the use of such records by DOJ, the court or other tribunal, or the other party before the tribunal is relevant and necessary to the litigation, provided, however, that in each case, SSA determines that such disclosure is compatible with the purpose for which the records were collected.

4. Disclosure to student volunteers, individuals working under a personal services contract, and other individuals performing functions for SSA, but technically not having the status of Agency employees, if they need access to the records in order to perform their assigned Agency functions.

5. Disclosure to contractors and other Federal Agencies, as necessary, for the purpose of assisting SSA in the efficient administration of its programs.

6. Disclosure to the General Services Administration (GSA) and the National Archives and Records Administration (NARA), which is not expressly restricted by Federal law, under 44 U.S.C. 2904 and 2906, as amended by the National Archives and Records Administration Act of 1984, for the use of those agencies in conducting records management studies for Non-tax return information.

**POLICES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**

**STORAGE:**

The records are maintained electronically and in paper form (e.g., file folders) in locked file cabinets within OCSI.

**RETRIEVABILITY:**

The records are indexed and retrieved by the SMART request number assigned to the employee's request.

**SAFEGUARDS:**

This system of records is a data base that is accessible via an SSA Intranet Website. Security measures include the use of access codes to enter the data base, and storage of the electronic records in secured areas which are accessible only to employees who require the information in performing their official duties. The paper records that result from the electronic site are kept in locked cabinets or in otherwise secure areas. SSA, foreign site and contractor personnel having access to data in the system of records are required to adhere to SSA rules concerning safeguards, access, and use of the data. They also are informed of the criminal penalties of the Privacy Act

for unauthorized access to or disclosure of information maintained in this system of records.

**RETENTION AND DISPOSAL:**

After final action to approve or deny a SMART request, it will be maintained for at least 7 years, or when it is determined that they are no longer needed, then destroyed in a manner appropriate to the storage media.

**SYSTEM MANAGER(S) AND ADDRESS:**

Social Security Administration, Office of the Commissioner, Manager, Office of Customer Service Integration, 450 Altmeyer Building, 6401 Security Boulevard, Baltimore, Maryland 21235.

**NOTIFICATION PROCEDURES:**

An individual can determine if this system contains a record about him or her by writing to the system manager at the above address. The requester should include his or her SMART request number along with and any other identifying information that's listed on the SMART Request Form.

An individual requesting notification of records in person need not furnish any special documents of identity. Documents he/she would normally carry on his/her person would be sufficient (e.g., employee identification badge, credit card, driver's license, or voter registration card). If an individual does not have identification papers sufficient to establish his/her identity, that individual must certify in writing that he/she is the person claimed to be and that he/she understands that the knowing and willful request for or acquisition of a record pertaining to an individual under false pretenses, is a criminal offense.

If notification is requested by telephone, an individual must verify his/her identity by providing identifying information that parallels the record to which notification is being requested. If it is determined that the identifying information provided by telephone is insufficient, the individual will be required to submit a request in writing or in person.

If a request for notification is submitted via mail, an individual must include a notarized request to SSA to verify his/her identity, or must certify in the request that he/she is the person claimed to be and that he/she understands that the knowing and willful request for or acquisition of a record pertaining to an individual under false pretenses is a criminal offense. These procedures are in accordance with SSA Regulations (20 CFR 401.50).

**RECORD ACCESS PROCEDURES:**

Same as notification procedures. Requesters should also reasonably specify the record contents being sought. These procedures are in accordance with SSA Regulations (20 CFR 401.65).

**CONTESTING RECORD PROCEDURES:**

Same as notification procedures. Also, requesters should reasonably identify the record, specify the information they are contesting, state the corrective action sought and the reasons for the correction with supporting justification showing how the record is incomplete, untimely, inaccurate or irrelevant. These procedures are in accordance with SSA Regulations (20 CFR 401.50).

**RECORD SOURCE CATEGORIES:**

Incoming requests, responses, evaluations and other information obtained during the course of deciding to adopt a request.

**SYSTEM EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:**

None.

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**DEPARTMENT OF STATE**

**[Public Notice 3382]**

**Bureau of Educational and Cultural Affairs Request for Proposals: Bilkent University (Turkey) Student Teacher Internship Program; Notice: Request for Proposals**

**SUMMARY:** The Office of Global Educational Programs of the Bureau of Educational and Cultural Affairs announces an open competition for the Bilkent University Student Teacher Internship Program. University schools of education meeting the provisions described in IRS regulation 26 CFR 1.501(c) may submit proposals to administer an eight-week teacher training program for graduate students of education from Bilkent University, a private institution in Ankara, Turkey. The focus of the internship is to familiarize participants with student-centered teaching methods and the use of technology in the classroom. Interested organizations must have strong contacts with local school districts, preferably in both their own and neighboring states in order to provide exposure to different educational approaches. The successful proposal will demonstrate the organization's experience in international educational exchange and