

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43240; File No. 4-208]

Intermarket Trading System; Notice of Filing of Fifteenth Amendment to the ITS Plan Relating to Remote Specialists, the National Market System Test System, Trade Adjustment Procedures, and Technical Revisions

September 1, 2000.

Pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 6, 2000, the Intermarket Trading System ("ITS") submitted to the Securities and Exchange Commission ("Commission") an amendment ("Fifteenth Amendment") to the restated ITS Plan.² The ITS participants filed the amendment to: (1) Recognize the BSE's and PCX's implementation of Remote Specialists; (2) recognize the implementation of the National Market Test System; (3) codify procedures for trade adjustment; and, (4) make technical revisions. The Commission is publishing this notice to solicit comments on the amendment from interested persons.

I. Description of the Amendment

The purpose of the proposed amendment is to: (1) Recognize the BSE's and PCX's implementation of Remote Specialists; (2) recognize the implementation of the National Market Test System; (3) codify procedures for trade adjustment; and (4) make technical revisions.

The BSE and PCX have filed rule proposals with the Commission to permit specialists to carry out their specialist operations off the floors of the BSE and PCX.³ Text in sections 6(a)(ii)

(B) and (E), 7(c) and 8(a) of the ITS Plan is revised to reflect the changed manner in which BSE and PCX will interact with ITS.

The National Market Test System ("NMTS") is a stand-alone system that supports testing of the Consolidated Tape System, Consolidated Quotation System, ITS, and Participant interfaces with these systems. The NMTS can be used during normal business hours and ITS will be responsible for one-third of the costs of the NMTS. The ITS Plan provisions for the NMTS equally divide the ITS costs among all ITS Participants.

New Section 6(b)(iv) codifies the trade adjustment process whereby, and circumstances under which, supervisors monitoring Participant's Markets may request the ITS Control Center to enter agreed-upon adjustments to System trades (price, size, buy or sell side, cancel or insert trade "as of" a prior day).

Under the technical revisions, provisions dealing with the ITS/CAES Linkage as adopted by the Commission are revised to eliminate the definition of the term "ITS/CAES security (stock)" and to make other conforming changes.⁴ The revision also reinserts text inadvertently omitted by the Commission. According to the Participants, the revisions are otherwise neutral as to their effect on the Commission's adopted amendment. The revisions also redesignate current sections 12, 13, and 14 as sections 13, 14 and 15, and current section 15 as section 12 (with other conforming changes), and reflect the change in the Amex's corporate name.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the proposed amendment, including whether the proposed Plan amendment 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, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed Plan amendment change that are filed with the Commission, and all written communications relating to the proposed Plan amendment 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 Plan amendment will also be available for inspection and copying at the principal office of the ITS. All submissions should refer to File No. 4-208 and should be submitted by September 29, 2000.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-23074 Filed 9-7-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43236; File No. 4-208]

Intermarket Trading System; Notice of Filing and Temporary Summary Effectiveness of the Sixteenth Amendment to the ITS Plan Relating to Decimal Pricing in Listed Securities

August 31, 2000.

Pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 24, 2000, the Intermarket Trading System ("ITS") submitted to the Securities and Exchange Commission ("Commission") an amendment ("Sixteenth Amendment") to the restated ITS Plan.² The ITS Participants filed the amendment to: (1) Recognize the transition to decimal pricing; (2) reduce the Pre-Opening price change parameter for certain securities; and (3) expand the Pre-Opening price change parameters for certain stocks. The Commission is publishing this notice to solicit comments on the amendment

⁵ 17 CFR 200.30-3(a)(29).

¹ 17 CFR 240.11Aa3-2.

² The ITS is a National Market System ("NMS") plan approved by the Commission pursuant to Section 11A of the Act and Rule 11Aa3-1. See Securities Exchange Act Release No. 19456 (January 27, 1983), 48 FR 4938. The ITS is a communications and order routing network linking eight national securities exchanges and the electronic over-the-counter ("OTC") market operated by the National Association of Securities Dealers, Inc. ("NASD"). The ITS was designed to facilitate intermarket trading in exchange-listed equity securities based on current quotation information emanating from the linked markets.

Participants to the ITS Plan include the American Stock Exchange, Inc. ("Amex"), the Boston Stock Exchange, Inc. ("BSE"), the Chicago Board Options Exchange, Inc., the Chicago Stock Exchange, Inc., the Cincinnati Stock Exchange, Inc., the NASD, the New York Stock Exchange, Inc., the Pacific Exchange, Inc. ("PCX"), and the Philadelphia Stock Exchange, Inc. (collectively, "Participants")

¹ 17 CFR 240.11Aa3-2.

² The ITS is a National Market System ("NMS") plan approved by the Commission pursuant to Section 11A of the Act and Rule 11Aa3-2. See Securities Exchange Act Release No. 19456 (January 27, 1983), 48 FR 4938. The ITS is a communications and order routing network linking eight national securities exchanges and the electronic over-the-counter ("OTC") market operated by the National Association of Securities Dealers, Inc. ("NASD"). The ITS was designed to facilitate intermarket trading in exchange-listed equity securities based on current quotation information emanating from the linked markets.

Participants to the ITS Plan include the American Stock Exchange, Inc. ("Amex"), the Boston Stock Exchange, Inc. ("BSE"), the Chicago Board Options Exchange, Inc., the Chicago Stock Exchange, Inc., the Cincinnati Stock Exchange, Inc., the NASD, the New York Stock Exchange, Inc., the Pacific Exchange, Inc. ("PCX"), and the Philadelphia Stock Exchange, Inc. (collectively, "Participants").

³ The Commission approved the BSE's proposal on August 8, 2000. See Exchange Act Release No. 43127 (August 8, 2000), 65 FR 49617 (August 14,

2000). The PCX's proposal was published in the **Federal Register** in 1999, but has not been approved by the Commission. See Exchange Act Release No. 40051 (February 12, 1999), 64 FR 8426 (February 19, 1999).

⁴ See Exchange Act Release No. 42212 (December 9, 1999), 64 FR 70297 (December 16, 1999).