

Based on this analysis, OCC has concluded that the average SmallCap security presents market risks similar to that of NNM securities especially for those securities that trade at a price greater than ten dollars per share.⁹ This analysis also confirms that the current 70% valuation rate provides a sufficient cushion to protect against adverse market moves in SmallCap securities.

Finally, OCC performed a volume analysis to assess the liquidity of SmallCap securities over the same four-year period which confirmed that SmallCap securities are not as liquid as NNM securities.¹⁰ However, the analysis also showed that a material portion of this average share volume is concentrated in a relatively small number of NNM issuers. For example, 20% of the NNM average share volume is attributable to the shares of five issuers. However, there are over 2,150 additional NNM securities that may be deposited for margin purposes. In light of the concentration within the NNM, OCC believes that there is sufficient liquidity in SmallCap issues over ten dollars to support their acceptance for margin purposes.

The proposed rule change also makes certain changes to Rule 604(d) to conform it to recent changes made elsewhere in OCC's By-Laws and Rules. As it has already done in other of its rules, OCC is deleting the term "primary market" from Rule 604(d).¹¹ Removing the term "primary market" has been prompted by recognition that the equity markets are becoming increasingly fragmented. Rule 604(d) currently provides that no security that has been suspended from trading or is subject to special margin requirements by its "primary market" may be deposited as margin. OCC is amending Rule 604(d) so that no security that has been suspended from trading or is subject to special margin requirements by the market that listed or qualified the issue for trading may be deposited as margin.

Rule 604(d) also currently defines the current market value of a stock or bond to be its closing price on the "primary market" for such stock or bond. In order

to avoid disputes over which market is a stock's primary market, OCC is amending the rule so that it has the discretion to designate the market whose closing price will serve as the benchmark.

Another conforming change concerns the time when a "closing price" is determined. To address any questions that may arise with the growth of after-hours trading, OCC is proposing to amend Rule 604(d) to provide that the closing price will be determined "at the close of regular trading hours (as determined by the Corporation)." * * * This change allows OCC to avoid potential disputes by (i) eliminating any basis for arguing that the closing price should be determined based on after-hours trading and (ii) giving OCC the discretion to determine when "regular trading hours" end.

Finally, OCC is eliminating those provisions of Rule 604(d) that require stocks that are deposited as margin to be subject to last sales reporting. It is OCC's understanding that all exchange traded and Nasdaq Stock Market securities are now subject to last sales reporting, making the requirement unnecessary.

II. Discussion

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the clearing agency's custody or control or for which it is responsible. In connection with this rule change, which allows OCC clearing members to deposit Nasdaq SmallCap market securities as margin collateral, OCC has done extensive market and liquidity analysis and is subjecting any deposits of Nasdaq SmallCap market securities to its existing margin deposit requirements (*e.g.*, ten dollar per share minimum and ten percent issuer concentration prohibition). Therefore, the Commission finds that OCC's proposed rule change is consistent with Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. OCC-2001-02) be and hereby is approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-24657 Filed 10-2-01; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

National Women's Business Council; Notice of Meeting

In accordance with the Women's Business Ownership Act, Public Law 106-554 as amended, the National Women's Business Council (NWBC) announces as forthcoming Council meeting. The meeting will cover action items worked on by the National Women's Business Council included by not limited to procurement, access to capital and training. The meeting will be held on October 18, 2001 at the U.S. Small Business Administration 409 Third Street, SW., Washington, DC in the Eisenhower Conference Room—A, 2nd Floor at 9 am to 11:30 am est.

Anyone wishing to make an oral presentation to the Board must contact Ms. Gilda Pressley, in writing by letter or by fax no later than October 12, 2001, in order to be put on the agenda. Gilda Pressley, Administrative Officer, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416. Telephone (202) 205-3850 or Fax (202) 205-6825.

Steve Tupper,

Committee Management Officer.

[FR Doc. 01-24644 Filed 10-2-01; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Region II Buffalo District Advisory Council; Public Meeting

The U.S. Small Business Administration Region II Advisory Council located in the geographical area of Buffalo, New York, will hold a public meeting at 10 a.m. eastern time on October 24, 2001, at the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York to discuss such matters that may be presented by members, staff of the U.S. Small Business Administration, or others present.

Anyone wishing to make an oral presentation to the Board must contact Franklin J. Sciortino, District Director, in writing by letter or fax no later than October 15, 2001, in order to be put on

¹² 17 CFR 200.30-3(a)(12).

⁹ Approximately 12% of SmallCap securities trade at over ten dollars per share.

¹⁰ Average daily share volume of NNM securities trading over ten dollars per share was 594,632 while the average daily share volume of SmallCap securities trading above ten dollars was 15,005 shares.

¹¹ Securities Exchange Act Release Nos. 44652 (August 3, 2001), 66 FR 42580 [File No. SR-OCC-00-04] (order approving proposed rule change revising OCC's price determination rules); and 41089 (March 1, 1999), 64 FR 10051 [File No. SR-OCC-98-14] (order approving the revision of OCC Rules 805 with respect to closing prices in expiration processing).

the agenda. Franklin J. Sciortino, District Director, U.S. Small Business Administration, 1311 Federal Building, 111 West Huron Street, Buffalo, NY 14202. Telephone (716) 551-4301 or Fax (716) 551-4418.

Steve Tupper,

Committee Management Officer.

[FR Doc. 01-24645 Filed 10-2-01; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 3745]

Advisory Committee on Historical Diplomatic Documentation; Notice of Meeting

The Advisory Committee on Historical Diplomatic Documentation will meet in the Department of State, 2201 "C" Street NW, Washington, DC, October 15-16, 2001 in Conference Room 1105. Prior notification and a valid photo are mandatory for entrance into the building. One week before the meeting, members of the public planning to attend must notify Gloria Walker, Office of Historian (202-663-1124) to provide relevant dates of birth, Social Security numbers, and telephone numbers.

The Committee will meet in open session from 1:30 p.m. through 4:30 p.m. on Monday, October 15, 2001, to discuss declassification and transfer of Department of State electronic records to the National Archives and Records Administration and the modernization of the Foreign Relations series. The remainder of the Committee's sessions from 9 a.m. until 1 p.m. on Tuesday, October 16, 2001, will be closed in accordance with Section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463). The agenda calls for discussions of agency declassification decisions concerning the Foreign Relations series. These are matters not subject to public disclosure under 5 U.S.C. 552b(c)(1) and the public interest requires that such activities be withheld from disclosure.

Questions concerning the meeting should be directed to Marc J. Susser, Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, Department of State, Office of the Historian, Washington, DC, 20520, telephone (202) 663-1123, (e-mail history@state.gov).

Dated: September 26, 2001.

Marc J. Susser,

Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, U.S. Department of State.

[FR Doc. 01-24745 Filed 10-2-01; 8:45 am]

BILLING CODE 4710-11-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

[Order 2001-9-20, Docket OST-2001-10711]

Reports on Significant Airline Service Reductions

Served: October 2, 2001.

Issued by the Department of Transportation on the 27th Day of September, 2001.

Order

The tragic events of September 11 and the resulting traffic declines have caused airlines to reduce or end service in a number of markets. We have the preexisting responsibility to administer the small community service program created by 49 U.S.C. 41731 *et seq.* In addition, we have an overall responsibility to monitor industry conditions, advise Congress on industry developments, and implement Congressional legislation, including the Air Transportation Safety and System Stabilization Act, Pub.L. 107-42.

In view of our responsibilities, we need to obtain advance information from the airlines on plans to substantially reduce or end a community's domestic scheduled passenger service. We will therefore require that all carriers, both certificated carriers and commuter carriers, give us fifteen days notice before any of the following: (1) A termination of all scheduled service by a U.S. airline at a U.S. community, (2) a termination of the last nonstop service in a domestic market, or (3) a reduction of service at a U.S. community if the total available seats or flights linking that community with FAA-designated hubs will be reduced by 33 percent or more during a 90-day period. The 90-day period will consist of the ninety days preceding the date when the airline will implement the schedule change and will require the airline to take account of changes already made or announced by other airlines that may trigger the notice requirement. We are also requiring airlines to give us notice of any such changes that have been announced or implemented since September 11.

We are adopting this order under 49 U.S.C. 41708 (formerly section 407(a) of the Federal Aviation Act, 49 U.S.C.

1377(a)). That section gives us the authority, among other things, to require information on conditions that may indicate a need for future action under the essential air service program. *Delta Air Lines v. CAB*, 674 F.2d 1 (D.C. Cir. 1982). We are establishing this reporting requirement only as a result of the current temporary emergency, and it will now terminate as of December 31, 2001. We may extend the requirement, however, if that appears necessary.

The notices shall be filed in this docket and identify the name of the airline, the community or market affected by the reduction or termination of service, the amount by which capacity or frequency will be reduced, and the date on which the reduction or termination will occur.

We have complied with the requirements of the Paperwork Reduction Act, 44 U.S.C. Chapter 35, for this information directive.

Accordingly, pursuant to 49 U.S.C. 40113 and 41708, the Department finds it necessary to compel the submission of certain reports and to take action, as follows:

1. Each airline providing scheduled passenger service under certificate authority granted under 49 U.S.C. 41102 or as a commuter air carrier under exemption authority issued under 14 CFR part 298 shall give the Department fifteen days advance notice of any of the following: (1) A termination of all scheduled service by that airline at a U.S. community, (2) a termination of the last nonstop service in a domestic market, or (3) a reduction of service at a U.S. community if the total available seats or flights linking that community with FAA-designated hubs will be reduced by 33 percent or more during a 90-day period; provided that each air carrier subject to this order shall provide notice as soon as possible of any such changes scheduled to take effect before the fifteenth day after the issuance of this order;

2. The notice requirement imposed by this order shall terminate on December 31, 2001.

Read Van De Water,

Assistant Secretary for Aviation and International Affairs.

[FR Doc. 01-24770 Filed 10-2-01; 8:45 am]

BILLING CODE 4910-62-P