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Dated at Rockville, Maryland, this 30th day of April, 2003.

For the U.S. Nuclear Regulatory Commission.

**Susan M. Frant,**

*Chief, Fuel Cycle Facilities Branch, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards.*  
[FR Doc. 03-11527 Filed 5-8-03; 8:45 am]

BILLING CODE 7590-01-P

## RAILROAD RETIREMENT BOARD

### Actuarial Advisory Committee With Respect to the Railroad Retirement Account; Notice of Public Meeting

Notice is hereby given in accordance with Public Law 92-463 that the Actuarial Advisory Committee will hold a meeting on May 29, 2003, at 10 a.m. at the office of the Chief Actuary of the U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, on the conduct of the 22nd Actuarial Valuation of the Railroad Retirement System. The agenda for this meeting will include a discussion of the results and presentation of the 22nd Actuarial Valuation. The text and tables which constitute the Valuation will have been prepared in draft form for review by the Committee. It is expected that this will be the last meeting of the Committee before publication of the Valuation.

The meeting will be open to the public. Persons wishing to submit written statements or make oral presentations should address their communications or notices to the RRB Actuarial Advisory Committee, c/o Chief Actuary, U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092.

Dated: May 5, 2003.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 03-11536 Filed 5-8-03; 8:45 am]

BILLING CODE 7905-01-M

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting Notice

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of May 12, 2003:

A Closed Meeting will be held on Tuesday, May 13, 2003 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

Commissioner Glassman, as duty officer, determined that no earlier notice thereof was possible.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(5), (7), (9)(B) and (10) and 17 CFR 200.402(a)(5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

The subject matter of the Closed Meeting scheduled for Tuesday, May 13, 2003 will be:

Institution and settlement of administrative proceedings of an enforcement nature;

Institution and settlement of injunctive actions;

Formal order of investigation; and Adjudicatory matter.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted, or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: May 7, 2003.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 03-11823 Filed 5-7-03; 4:03 pm]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47793; File No. SR-NYSE-2003-10]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment No. 1 thereto by the New York Stock Exchange, Inc. To Disengage NYSE Direct+ in Five Actively-Traded Stocks on a One-Week Pilot Basis

May 2, 2003.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 9, 2003, the New York Stock Exchange, Inc. ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On April 28, 2003, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons and to grant accelerated approval of the proposed rule change.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is proposing to disengage NYSE Direct+®<sup>4</sup> in five

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See letter from Darla C. Stuckey, Corporate Secretary, NYSE, to Nancy J. Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated April 24, 2003 ("Amendment No. 1"). Among other things, Amendment No. 1: (1) Clarifies that the NYSE is disengaging NYSE Direct+ in five stocks to assess the impact of its automated dissemination of quotes feature on Exchange floor transactions without Direct+ changing the depth of the market; (2) clarifies that during this pilot, the Exchange intends to monitor variables such as liquidity, continuity, spread, depth, and number of trades; and (3) provides proposed rule text regarding the pilot and the five stocks that will not be participating in NYSE Direct+. On April 30, 2003, the NYSE submitted a new exhibit A to Amendment No. 1. The new exhibit, which supersedes only Exhibit A to Amendment No. 1, makes corrections to the proposed rule text by inserting previously approved rule language under NYSE Rule 1000 that the NYSE inadvertently excluded from the original filing. See letter from Donald Siemer, Director, Rule Development, NYSE, to Lisa N. Jones, Attorney, Division, Commission, dated April 30, 2003.

<sup>4</sup> NYSE Rules 1000-1005 provide for the automatic execution of limit orders of 1,099 shares or less against the Exchange's disseminated bid or offer. NYSE Direct+ was originally filed as a one-year pilot. See Securities Exchange Act Release No. 43767 (December 22, 2000), 66 FR 834 (January 4, 2001). Continued

actively-traded stocks on a one-week pilot basis to assess the impact of autoquoting of bids and offers in connection with the Exchange's initiative to disseminate "liquidity quotes." Below is the text of the proposed rule change. Proposed new language is *italicized*.

\* \* \* \*

## Rule 1000

### Automatic Execution of Limit Orders Against Orders Reflected in NYSE Published Quotation

Only straight limit orders without tick restrictions are eligible for entry as auto ex orders. Auto ex orders to buy shall be priced at or above the price of the published NYSE offer. Auto ex orders to sell shall be priced at or below the price of the NYSE bid. An auto ex order shall receive an immediate, automatic execution against orders reflected in the Exchange's published quotation and shall be immediately reported as NYSE transactions, unless:

(i)–(vi) No change.

Auto ex orders that cannot be immediately executed shall be displayed as limit orders in the auction market. An auto-ex order equal to or greater than the size of the NYSE's published bid or offer shall trade against the entire published bid or offer, and a new bid or offer shall be published pursuant to Rule 60(e). The unfilled balance of the auto ex order shall be displayed as a limit order in the auction market.

*During a one-week pilot program in 2003, NYSE Direct+ shall not be available in the following five stocks: American Express (AXP), Pfizer (PFE), International Business Machines (IBM), Goldman Sachs (GS), and Citigroup (C). The Exchange will announce in advance to its membership the week the pilot will run.*

\* \* \* \*

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

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries,

2001) SR-NYSE-00-18). The Direct+ pilot was subsequently extended for an additional year by Securities Exchange Act Release No. 45331 (January 24, 2002), 67 FR 5024 (February 1, 2002) (SR-NYSE-2001-50), and recently extended for an additional year by Securities Exchange Act Release No. 46906 (November 25, 2002), 67 FR 72260 (December 4, 2002) (SR-NYSE-2002-47).

set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

##### 1. Purpose

The Exchange has begun to test on the Exchange's floor its initiative to disseminate "liquidity quotes"<sup>5</sup> in addition to the NYSE's highest bid and lowest offer. As part of this initiative, the Exchange has amended Rule 60 to provide that the Exchange will "autoquote" or automatically update the NYSE's highest bid or lowest offer whenever a limit order is transmitted to the specialist's book at a price higher (lower) than the previously disseminated highest (lowest) bid (offer).<sup>6</sup> When the NYSE's highest bid or lowest offer has been traded with in its entirety, the Exchange will autoquote a new bid or offer reflecting the total size of orders on the specialist's book at the next highest (in the case of a bid) or lowest (in the case of an offer) price.<sup>7</sup>

The NYSE believes that both NYSE Direct+ and autoquoting have the potential to impact the functioning of the NYSE's auction market, as they involve, without specialist or trading crowd intervention, changes to the depth of the market and prices at which securities may trade. NYSE Direct+ involves automatic executions of limit orders of 1,099 shares or less against the Exchange's best bid or offer.<sup>8</sup> According to the Exchange, NYSE Direct+ executions have the potential to change the depth of the market, as well as the tick and last reported sale. Autoquoting involves the automatic adjustment of the Exchange's disseminated bids/offers as new limit orders are received onto the specialist's book.

In anticipation of the rollout of NYSE Liquidity Quote,<sup>SM</sup> as approved in SR-NYSE-2002-55,<sup>9</sup> the Exchange would like to test the impact of autoquoting without the impact of NYSE Direct+ occurring at the same time. To do so, the Exchange is proposing to disengage NYSE Direct+ in five actively-traded stocks during a one-week pilot program. The stocks, which include one company from each of the Exchange's five largest specialist units, are American Express

<sup>5</sup> Liquidity quotes represent additional buying and selling interest below the best bid and above the best offer.

<sup>6</sup> See Securities Exchange Act Release No. 47614 (April 2, 2003), 68 FR 17140 (April 8, 2003) (order approving SR-NYSE-2002-55).

<sup>7</sup> See *id.*

<sup>8</sup> See *supra* note 4.

<sup>9</sup> See *supra* note 6.

(AXP), Pfizer (PFE), International Business Machines (IBM), Goldman Sachs (GS), and Citigroup (C). The Exchange represents that it will study the impact of autoquoting on the Exchange floor<sup>10</sup> with regard to liquidity, continuity, spread, depth, number of trades, and other variables.

The Exchange notes that any NYSE Direct+ order ("auto-ex order") that would be entered during the one-week pilot in the five stocks mentioned above would automatically be converted to a SuperDOT order during that time for representation by the specialist in the Exchange's auction market.<sup>11</sup> Further, the Exchange intends to implement the one-week pilot as soon as practicable after Commission approval and will notify the Exchange's membership at least one week prior to the actual implementation date of the one-week pilot.<sup>12</sup>

##### 2. Statutory Basis

The Exchange believes that the proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act,<sup>13</sup> which requires, among other things, that the Exchange's rules are 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.

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

The Exchange believes that the proposed rule change will not 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 not solicited nor received written comments on the proposed rule change.

### III. Solicitation of Comments

Interested persons are invited to submit written data, views and

<sup>10</sup> Telephone conversation among Sonia Trocchio, Special Counsel, Division, Commission, Donald Siemer, Director, Rule Development and Jeffrey Rosenstruck, NYSE, dated May 2, 2003.

<sup>11</sup> Currently, under Exchange Rule 1000, auto-ex orders that cannot be immediately executed shall be converted into SuperDot orders and displayed as limit orders in the auction market. Telephone conversation among Sonia Trocchio, Special Counsel, Division, Commission, Donald Siemer, Director, Rule Development and Jeffrey Rosenstruck, NYSE, dated May 2, 2003.

<sup>12</sup> See Amendment No. 1, *supra* note 3.

<sup>13</sup> 15 U.S.C. 78f(b)(5).

arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-2003-10 and should be submitted by May 30, 2003.

#### **IV. Commission Findings and Order Granting Accelerated Approval of Proposed Rule Change**

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act,<sup>14</sup> which requires, among other things, that the rules of the 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.<sup>15</sup>

The Commission believes that the proposal should help the NYSE to maintain a fair and orderly market by enabling the NYSE to test its autoquoting feature without the interruption of NYSE Direct+, which automatically changes the depth of market, as well as the tick and last reported sale in these stocks. In addition, the Commission notes that NYSE has represented that it will notify members at least one week in advance of the implementation date of the pilot.

The Commission finds good cause for accelerating approval of the proposed

rule change and Amendment No. 1 prior to the thirtieth day after publication in the **Federal Register**. The Commission believes that accelerated approval will permit the Exchange, without undue delay, to assess the impact of autoquoting on the Exchange's auction market, particularly with regard to liquidity, continuity, spread, depth, number of trades, and other such variables.

Accordingly, the Commission finds good cause, consistent with Section 19(b)(2) of the Act,<sup>16</sup> to approve the proposed rule change, as amended, prior to the thirtieth day after publication of the notice of filing, on a pilot basis for seven days.

#### **V. Conclusion**

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>17</sup> that the proposed rule change, as amended, (File No. SR-NYSE-2003-10) be approved as a one week pilot, on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-11588 Filed 5-8-03; 8:45 am]

BILLING CODE 8010-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-47792; File No. SR-NYSE-2002-41]**

### **Self-Regulatory Organizations; New York Stock Exchange; Order Approving Proposed Rule Change by the New York Stock Exchange, Inc. Amending the Exchange's Specialist Combination Review Policy in NYSE Rule 123E**

May 2, 2003.

#### **I. Introduction**

On August 29, 2002, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Specialist Combination Review Policy ("Policy"). On January 27, 2003 the NYSE amended the

proposed rule change.<sup>3</sup> On March 20, 2003, the rule proposal, as amended, was published for comment in the **Federal Register**.<sup>4</sup> The Commission received no comments on the proposal. This order approves the amended proposed rule change.

#### **II. Description of the Proposed Rule Change**

NYSE Rule 123E sets forth the NYSE's Specialist Combination Review Policy.<sup>5</sup> Currently, the Policy requires the Quality of Markets Committee ("QOMC") to review proposed specialist unit combinations that exceed five, ten, or fifteen percent tier levels in any one of four concentration measures.<sup>6</sup>

The proposed rule change removes the QMOC review requirement for combinations that result in an increase in any concentration measure of less than two percentage points within a tier level. If, however, the percentage change increase results in the unit moving into a higher tier classification, a review will result. The proposed rule change also eliminates capital position requirements for the various tiers in light of recent amendments of other Exchange requirements to Exchange Rules 104.21 and 104.22.<sup>7</sup> The proposed rule change also delegates to the Market Performance Committee ("MPC") the responsibility of reviewing and approving, or disapproving in writing, a specialist combination to see what effect it will have on market quality. Furthermore, the proposed rule change amends the Policy to require that proponents of the combined units

<sup>3</sup> See letter from Darla C. Stuckey, Corporate Secretary, NYSE, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated January 24, 2003 ("Amendment No. 1"). In Amendment No. 1 the Exchange provided a new Exhibit A that completely replaced and superseded the proposed rule language in the original filing.

<sup>4</sup> See Securities Exchange Act Release No. 47547 (March 20, 2003), 68 FR 15027 (March 27, 2003).

<sup>5</sup> See Securities Exchange Act Release No. 46579 (October 1, 2002), 67 FR 63004 (October 9, 2002) (SR-NYSE-2002-31) (formal codification as Rule 123E); Securities Exchange Act Release No. 34167 (June 6, 1994), 59 FR 30625 (June 14, 1994) (SR-NYSE-93-45) (permanent pilot approval).

<sup>6</sup> The concentration measures include a specialist unit's share of: (1) Common stocks listed on the Exchange; (2) the 250 most active listed common stocks for the last 12 months; (3) total listed common stock share volume for the last 12 months; and (4) total listed common stock dollar volume for the last 12 months.

<sup>7</sup> See Securities Exchange Act Release No. 43098 (July 31, 2000), 65 FR 49044 (August 10, 2000) (SR-NYSE-99-46). See also Exchange Rule 104.22 that requires any new specialist entities that result from merger, acquisition, consolidation, or other combination of specialist assets to maintain net liquid assets (NLA) equivalent to the greater of either: (1) The aggregate of the NLA of the specialist entities prior to their combination, or (2) the capital requirement prescribed by Rule 104.

<sup>14</sup> 15 U.S.C. 78f(b)(5).

<sup>15</sup> In approving the proposed rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>16</sup> 15 U.S.C. 78s(b)(2).

<sup>17</sup> 15 U.S.C. 78s(b)(2).

<sup>18</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.