

publication to verify the accuracy of information contained therein and to review for any potential conflicts of interest. Any permissible written communications must be made through legal or compliance or copied to legal or compliance. Oral communications must be made through, or in the presence of, legal or compliance personnel and must be documented.

Similarly, NYSE Rule 472(b)(3) restricts communications between a member or member organization and the subject company of a research report, except that a member or member organization may submit sections of the research report to the subject company to verify factual accuracy and may notify the subject company of a ratings change after the "close of trading" on the business day preceding the announcement of the ratings change. Submissions to the subject company may not include the research summary, the rating or the price target, and a complete draft of the research report must be provided beforehand to legal or compliance personnel. Finally, any change to a rating or price target after review by the subject company must first receive written authorization from legal or compliance.

As the Commission noted in the May 10th order, several commenters argued that the "gatekeeper" provisions would impose significant costs, especially for smaller firms that may have to hire additional personnel to comply with the requirements. Commenters also noted that personnel often wear multiple hats in smaller firms, thereby causing a greater burden to comply with the restriction on supervision and control by investment banking personnel over research analysts. These comments raised the prospect that the Rules might force some firms out of the investment banking or research business and/or reduce important sources of capital and research coverage for smaller companies.

Accordingly, the Exchange is proposing to delay implementation of NYSE Rules 472(b)(1), (2), and (3) until July 30, 2003, or until a permanent exemption is approved by the SEC and becomes effective, for small firms. Those members or member organizations that meet the eligibility requirements outlined above for the delayed implementation date would also be required to maintain records of communications that would otherwise be subject to the gatekeeper provisions of NYSE Rule 472(b).

4. NYSE's Statutory Basis

The statutory basis for the proposed rule change is section 6(b)(5) of the

Exchange Act¹¹ which requires, among other things, that the rules of the Exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade and in general to protect investors and the public interest.

B. Self-Regulatory Organizations' Statements on Burden on Competition

The SROs do not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organizations' Statements on Comments on the Proposed Rule Changes Received From Members, Participants, or Others

The NASD and NYSE have not solicited or received written comments on the proposed rule changes.

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

The proposed rule changes have been filed by the SROs as stated policies, practices, or interpretations with respect to the meaning, administration, or enforcement of an existing rule series under Rule 19b-4(f)(1) under the Act.¹² Consequently, they have become effective pursuant to section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(1) thereunder.¹⁴

At any time within 60 days of the filing of such proposed rule changes, the Commission may summarily abrogate such rule changes if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing including whether the proposed rule changes are 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 submissions, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the

proposed rule changes 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 filings will also be available for inspection and copying at the principal offices of the SROs. All submissions should refer to the file numbers SR-NASD-2003-79 and SR-NYSE-2003-17 and should be submitted by June 12, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Jill M. Peterson,

Assistant Secretary.

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DEPARTMENT OF STATE

[Public Notice 4369]

Determination and Certification Under Section 40A of the Arms Export Control Act

Pursuant to section 40A of the Arms Export Control Act (Pub. L. 90-629—22 U.S.C. 2771 *et seq.*), as added by section 330 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132), and Executive Order 11958, as amended, I hereby determine and certify to the Congress that the following countries are not cooperating fully with United States antiterrorism efforts:

Cuba;
Iran;
Libya;
North Korea;
Sudan;
Syria.

This determination and certification shall be transmitted to the Congress and published in the **Federal Register**.

Dated: May 15, 2003.

Richard L. Armitage,

Deputy Secretary of State, Department of State.

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TENNESSEE VALLEY AUTHORITY

Paperwork Reduction Act of 1995, As Amended by Public Law 104-13; Proposed Collection; Comment Request

AGENCY: Tennessee Valley Authority.

¹⁵ 17 CFR 200.30-3(a)(12).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 17 CFR 240.19b-4(f)(1).

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(1).