

SECY-03-0057, "FY 2002 Results of the Industry Trends Program for Operating Power Reactors and Status of Ongoing Development," which is available electronically on the NRC's Web page at <http://www.nrc.gov/reading-rm/doc-collections/commission/secys/2003/>.

The draft technical report describes the technical approach and characteristics of the IIEPI, as well as an approach to establishing thresholds for the indicator. The following topics in the draft report will be discussed during the workshop:

- Industry Trends Program and Framework for IIEPI
- Technical Approach to IIEPI
- IIEPI Characteristics
- Technical Discussion
- Implementation Discussion

Dated at Rockville, Maryland, this 25th day of June 2003.

For the Nuclear Regulatory Commission.

Stuart A. Richards,

Chief, Inspection Program Branch, Division of Inspection Program Management, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48067; File No. SR-Amex-2003-48]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to the Amendment of Exchange Rules 340 and 341 and the Adoption of New Exchange Rule 359 To Provide for the Processing of Forms U-4 and U-5 by the NASD's Web CRD System

June 19, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 23, 2003, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Exchange Rules 340, Disapproval of Employees, and 341, Approval of Registered Employees and Officers, and to adopt new Exchange Rule 359, Application and Termination Forms (Forms U-4 and U-5), to provide for the processing of the Uniform Application for Securities Industry Registration or Transfer ("Form U-4") and the Uniform Termination Notice for Securities Industry Registration ("Form U-5") by the National Association of Securities Dealers, Inc.'s ("NASD's") Web Central Registration Depository ("Web CRD") system for all individuals required to be registered with or approved by the Exchange.³ Proposed new text is *italicized* and proposed deleted text is [bracketed] below.

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Rule 340 Disapproval of Employees—No change.

Commentary

.01 Any employee or prospective employee of a member or member organization who is to be admitted to the trading floor must be registered and approved by the Exchange's. To become registered, such employee or prospective employee must *electronically file* [submit] an application on the Uniform Application for Securities Industry Registration or Transfer ("Form U-4") *and any amendment thereto to the Central Registration Depository*. All employees and prospective employees of members and member organizations who have submitted applications for admission to the trading floor are required to be fingerprinted and to submit, or cause to be submitted, such fingerprints to the Exchange *or its designee* for identification and appropriate processing. Members and member organizations are required to *electronically file* [submit] a Uniform Termination Notice *for* [of] Securities Industry Registration ("Form U-5") *and any amendment thereto to the Central Registration Depository* [to the Exchange's Membership Services Department] within 10 days of the date of termination of an employee that has been approved for admission to the trading floor. Members and member organizations also are responsible for obtaining and submitting a terminated

³ In connection with the instant proposal, the Exchange filed an effective on filing rule proposal related to fee schedule changes for Form U-4 and Form U-5 processing. See Securities Exchange Act Release No. 48066 (File No. SR-Amex-2003-49).

employee's Exchange identification badge *to the Exchange* [together with the Form U-5]. For purposes of this Commentary .01, the term "trading floor" includes, but is not limited to, any space provided to members and their employees for the resolution of errors.

.02 through .04. No change.

.05 *Transition to Web CRD.—Members and member organizations must electronically file a Form U-4 with NASD's Web-based Central Registration Depository (CRD) system on or before such time as may be specified by the Exchange for each of their employees (including members) who have access to the trading floor.*

Rule 341 Approval of Registered Employees and Officers—(a) and (b) No change.

Commentary

.01 Natural Persons Required to be Registered or Approved—Although the employment of each employee of a member or member organization is subject to disapproval by the Exchange, only (i) registered representatives, (ii) securities lending representatives, (iii) securities traders or (iv) a direct supervisor of (i), (ii) or (iii) above (*see* definitions 6, 7 and 8, General and Floor Rules), must be registered and approved. Note that a natural person who performs the duties normally performed by a (i) registered representative, (ii) securities lending representative or (iii) securities trader is also subject to this Rule, notwithstanding such natural person's assertion of "independent contractor" status. (*See* Rule 341B). The requirements for persons seeking Exchange approval as regular member, options principal members, allied members, partners, approved persons and subordinated lenders are set forth in Article IV, Section 2 of the Constitution and Rules 300, 301, 310, 311, 312, 317, 318 and 470. Such persons must file forms prescribed by the Exchange [which are available from the Membership Services Division].

Any person who prior to June 1, 1970, was an allied member of the Exchange, in good standing, and who as of June 1, 1970, ceases to meet the definition of an allied member shall automatically cease his status as an allied member and may upon execution of such agreements as may be required by the Exchange qualify as a registered representative, supervisory person or officer. Any person who was an allied member in good standing prior to June 1, 1970, but does not meet the definition of allied member as of June 1, 1970, may

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

continue to perform those functions for his member corporation which he was performing on June 1, 1970.

A "securities lending representative" is defined as any person who has discretion to commit a member or member organization with which he is associated, as an employee or otherwise, to any contract or agreement (written or oral) involving securities lending or borrowing activities with any other person.

A "securities trader" is defined as any person engaged in the purchase or sale of securities or other similar instruments for the account of a member or member organization with which he is associated, as an employee or otherwise, and who does not transact any business with the public.

.02 How to Register Employees or Obtain Approval of Officers.—To register an employee or obtain the approval of an officer, the employer must *electronically file an application on the Uniform Application for Securities Industry Registration or Transfer ("Form U-4") and any amendment thereto with NASD's Central Registration Depository*. [submit the appropriate application form to the Membership Services Division, Attention Registered Personnel Section. The application includes an agreement, described in Commentary .08 below, which the prospective registered employee or officer must sign.]

If the employer is a member of the New York Stock Exchange, Inc., and application for the registration of an employee or the approval of an officer is made to that exchange, the American Stock Exchange LLC [, Inc.] application [form] should be submitted concurrently with the submission of an application to the New York Stock Exchange, Inc. and prompt notice should be furnished to the Exchange [Membership Services Division] of any action taken by the New York Stock Exchange, Inc. with respect to such application.

.03 through .08—No change.

.09 Termination of Employment.—Members and member organizations must immediately inform the [Membership Services Division of the] Exchange of any termination of employment of a *member*, registered employee or an officer, together with the reasons therefor. Such information is to be submitted on Form U-5 *within ten days of the date of termination*.

.10 Rescinded [Additional Information.—The following material may be obtained from the Registered Section, Membership Services Division of the Exchange:

(1) Application forms.

(2) Study Guide for Registered Representative Examination.

(3) Study Guide for Branch Office Manager Examination.

(4) Notice of Termination of Employment of Registered Employee—Form U-5].

.11 Filing With *Designee* [Agent].—Any filing or submission required under this rule which is made with a properly authorized *designee* [agent] acting on behalf of the Exchange shall for purposes of this Rule be deemed to be a filing with the Exchange.

Rule 359. Application and Termination Forms (Forms U-4 and U-5)

(a) *An individual who (i) seeks to become a regular, options principal, or associate member, (ii) seeks to become a limited trading permit holder, (iii) seeks to own a regular, options principal, associate membership or limited trading permit, or (iv) is or should be an approved person or allied member shall electronically file a Uniform Application for Securities Industry Registration or Transfer (Form U-4) and any amendments thereto with Central Registration Depository. A member or member organization that terminates a regular member, options principal member, associate member, allied member, limited trading permit holder or approved person shall electronically file within 10 days of such termination a Uniform Termination Notice for Securities Industry Registration (Form U-5) with the Central Registration Depository. A member or member organization shall electronically file with the Central Registration Depository any amendments to Form U-5 within 10 days of the discovery of the information requiring the amendment.*

(b) *Transition to Web CRD—Regular members, options principal members, and limited trading permit holders must electronically file a Form U-4 with NASD's Central Registration Depository system on or before such time as may be specified by the Exchange.*

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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 Amex included statements concerning the purpose of, and the basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex has prepared summaries, 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

Amex Rule 340 currently requires Amex members and member organizations to submit Forms U-4 and U-5 for their employees with access to the trading floor (*e.g.*, members and clerks). The Exchange also has long required persons who seek to become members or to own a membership to submit Form U-4 in connection with their membership applications. These forms currently are submitted to the Exchange's Membership Services Division as paper documents.

The Exchange now is proposing to require all its members, member organizations and seat owners to use NASD's Web CRD as the mechanism for submitting required Forms U-4 and U-5 filings to the Exchange. As a result of this change, all persons that currently would submit paper Forms U-4s and U-5s to the Exchange would be required to submit these forms electronically through Web CRD. The CRD is a Web-based system that provides broker-dealers and their associated persons with "one-stop filing" with the SEC, NASD, and other self-regulatory organizations and regulators. The CRD is operated by NASD and is used by participating regulators in connection with registering and licensing broker-dealers and their associated persons.

The Exchange anticipates that, during the period between September 3 and September 19, 2003, Amex members and member organizations will submit an updated Form U-4 to Web CRD for all individuals who work on the trading floor who have not previously submitted a Form U-4 to Web CRD.⁴ The proposed rule change also would require individuals who (i) seek to become a regular, options principal, or associate member, (ii) seek to become a limited trading permit holder, (iii) seek to own a regular, options principal, associate membership or limited trading permit, or (iv) are or should be an approved person or allied member, to electronically file a Form U-4 with Web CRD. The Exchange believes that automating the review of registration applications and termination notices by transitioning all Forms U-4 and U-5

⁴ A number of individuals that work on the trading floor already have submitted Form U-4 to Web CRD if they work for dual Amex/NASD member firms and their job responsibilities require registration with NASD.

filings to Web CRD will enable the Exchange to perform more efficiently its regulatory responsibilities with respect to members and member organizations and, thereby, will ultimately enhance investor protection.

The proposed amendments to Exchange Rules 340 and 341 and the adoption of Exchange Rule 359 are intended to facilitate the transfer of all required Forms U-4 and U-5 filings to Web CRD. The changes provide that the filing of Forms U-4 and U-5 with a duly authorized designee of the Exchange (*i.e.*, NASD) would constitute submission to the Exchange. The proposed amendments also would eliminate references to the Membership Services Division that would become obsolete with the implementation of filing with Web CRD.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,⁵ in general, and the provisions of section 6(b)(5) of the Act,⁶ in particular, which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, 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 does not believe that the proposed rule change will result in 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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6)⁸ thereunder because the proposal: (1) Does not significantly affect the protection of investors or the public

interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the Exchange has given the Commission notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change or the Commission waives such prior notice. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change 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.⁹

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 Exchange. All submissions should refer to File No. SR-Amex-2003-48 and should be submitted by July 23, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48086; File No. SR-CHX-2003-08]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating To Execution of Resting Limit Orders Following a Primary Market Block Trade-Through

June 25, 2003.

On March 24, 2003, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to eliminate the requirement that a CHX specialist fill resting limit orders at the block price following a block trade trade-through in the primary market.³ The proposed rule change was published for comment in the **Federal Register** on May 13, 2003.⁴ The Commission received no comments on the proposal. This order approves the proposed rule change.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange.⁵ Specifically, the Commission finds that the proposal is consistent with the requirements of section 6(b) of the Act,⁶ in general, and section 6(b)(5) of the Act,⁷ in particular, which requires that the rule of the Exchange be designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ If, however, a specialist is representing an order in his or her quote that is traded through by a block trade from another market, and the specialist receives satisfaction from the other market, the specialist must give the higher price to the customer order. Further, because specialists may wish to continue filling such limit orders at the block price as a customer service accommodation, the proposed rule change would permit a CHX specialist to continue to have the option to engage an existing functionality of the Exchange's MAX automatic execution system that automatically executes designated limit orders at the block price when a block size trade-through occurs in the primary market.

⁴ See Securities Exchange Act Release No. 47800 (May 6, 2003), 68 FR 25667.

⁵ In approving the proposal, the Commission has considered the rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ See section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

¹⁰ 17 CFR 200.30-3(a)(12).