

required for entry into the protected area. Authorized individuals insert their access authorization card into the card reader and the biometrics system records an image of the hand geometry. The unique features of the newly recorded image are then compared to the template previously stored in the database. Access is ultimately granted based on the degree to which the characteristics of the image match those of the "signature" template.

Since both the badge and hand geometry would be necessary for access into the protected area, the proposed system would provide for a positive verification process. Potential loss of a badge by an individual, as a result of taking the badge offsite, would not enable an unauthorized entry into protected areas.

The access process will continue to be under the observation of security personnel. The system of identification badges coupled with their associated access control cards will continue to be used for all individuals who are authorized access to protected areas without escorts. Badges will continue to be displayed by all individuals while inside the protected area. Addition of a hand geometry biometrics system will provide a significant contribution to effective implementation of the security plan at each site.

IV

For the foregoing reasons, pursuant to 10 CFR 73.55, the NRC staff has determined that the proposed alternative measures for protection against radiological sabotage meet "the same high assurance objective," and "the general performance requirements" of the regulation and that "the overall level of system performance provides protection against radiological sabotage equivalent" to that which would be provided by the regulation.

Accordingly, the Commission has determined that, pursuant to 10 CFR 73.5, an exemption is authorized by law, will not endanger life or property or common defense and security, and is otherwise in the public interest.

Therefore, as long as the licensee uses the hand geometry access control system, the Commission hereby grants Entergy Operations, Inc. an exemption from those requirements of 10 CFR 73.55(d)(5) relating to the returning of picture badges upon exit from the protected area such that individuals not employed by the licensee, i.e., contractors, who are authorized unescorted access into the protected area, can take their badges offsite.

Pursuant to 10 CFR 51.32, the Commission has determined that the

granting of this exemption will have no significant impact on the quality of the human environment. This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 15th day of August 1995.

For the Nuclear Regulatory Commission.

Jack W. Roe,

*Director, Division of Reactor Projects III/IV,
Office of Nuclear Reactor Regulation.*

[FR Doc. 95-21743 Filed 8-31-95; 8:45 am]

BILLING CODE 7509-01-P

[Docket No. 30-32493-CivP; EA 93-072;
ASLBP No. 95-709-02-CivP]

Radiation Oncology Center at Marlton (ROCM) Marlton, NJ (Byproduct Materials License No. 29-28685-01); Notice of Prehearing Conference

Notice is hereby given that a prehearing conference will be held in this enforcement proceeding, beginning at 9:30 a.m., on Wednesday, October 11, 1995, and continuing (to the extent necessary) at 9:00 a.m., on Thursday, October 12, 1995, at Two White Flint North, Commission Hearing Room, Room 3 B 45, 11545 Rockville Pike, Rockville, Maryland. The purpose of the prehearing conference will be to define further the issues to be litigated during the proceeding, to establish discovery schedules, and to deal with other matters bearing upon the evidentiary hearing (such as the date, time and location of such hearing).

Members of the public are invited to attend the conference but will not be permitted to participate in the proceeding.

Rockville, Maryland, August 28, 1995.

For the Atomic Safety and Licensing Board.

Charles Bechhoefer,

Chairman, Administrative Judge.

[FR Doc. 95-21744 Filed 8-31-95; 8:45 am]

BILLING CODE 7509-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36163; File No. SR-Amex-95-34]

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc., Relating to the Listing of Options on the Inter@ctive Week Internet Index

August 29, 1995.

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 August 23, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 list and trade options on the Amex Inter@ctive Week Internet Index ("Index"), a new stock index developed by the Amex and Inter@ctive Week based on stocks (or American Depositary Receipts ("ADRs") thereon) of companies involved in the fields of digital interactive services, software and hardware. In addition, the Amex proposes to amend Rule 901C, Commentary. 01 to reflect that 90% of the Index's numerical index value will be accounted for by stocks that meet the current criteria and guidelines set forth in Rule 915. The text of the proposed rule change is available at the Office of the Secretary, the Exchange, and at the Commission.

II. Self-Regulatory Organization's Statement of 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 IV below. The Exchange 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

The Amex has developed a new industry-specific index called the Inter@ctive Week Internet Index, based entirely on shares of widely held companies involved in providing interactive services, developing and marketing digital interactive software and manufacturing digital interactive hardware.³ The industries represented

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The component securities of the Index are 3Com; Acclaim Entertainment; Activision; Adobe Systems; America Online; Avid Technology; Bolt, Beranek & Newman; Broadband Technologies;

by these companies are: internet service providers, on-line service companies, internet tool developers, multimedia publishers, networking companies, videoconferencing companies, interactive television companies, software technology developers and computer manufacturers. Each of the component securities are traded on the Amex, the New York Stock Exchange or through the facilities of the national Association of Securities Dealers Automated Quotation system and are reported national market system securities ("NASDAQ/NMS"). The Amex intends to trade standardized option contracts on the newly developed Index. The Exchange is filing this proposal pursuant to Rule 901C, Commentary .92, which provides for the commencement of trading of options on the Index thirty days after the date of this filing. The proposal meets all the criteria set forth in Commentary .02 and the Commission's approval of generic index approval standards as outlined below.⁴

Eligibility Standards for Index Components

Pursuant to Commentary .02 to Rule 901C, (1) All of the component securities of the Index are listed on the New York Stock Exchange or are NASDAQ/NMS listed, each of the component securities has a minimum market capitalization of at least \$75 million;⁵ (2) the average monthly trading volume for each of the five highest weighted component securities in the Index was greater than two million shares over the previous six months; and (3) thirty of the component securities in the Index (81.08%) have standardized options traded on them and thus have met the initial eligibility criteria for standardized options trading set forth in Rule 915.

In addition, thirty of the thirty-seven components in the Index have a monthly trading volume of at least one million shares per month during each of the six months preceding the filing of this proposal. Three of the seven

components that do not meet the above requirement, which in the aggregate account for 1.24% of the weight of the Index, have months in which the volume is less than one million shares, but, the volume for those securities has never been less than 500,000 shares in any given month. The other four components that do not meet the monthly trading volume criteria are companies that were the subject of initial public offerings during the last six months and, accordingly, have not yet accumulated at least six months of trading volume data. Each of these four components have had monthly trading volumes for the months or partial months they have traded well in excess of one million shares. Performance Systems International's lowest monthly trading volume since its initial public offering was 3.3 million shares during the month of June. Spyglass Inc.'s monthly volume was 4.1 million shares in the month of June and 5.2 million shares in the month of July. UUnet Technologies lowest monthly volume was 5.9 million shares in the month of June. Netscape Communications, which went public on August 9, 1995, has had a trading volume of 19 million shares through August 14, 1995. The Exchange represents that three of the four components—Netscape Communications; Performance Systems International; and UUnet Technologies—will meet options listing standards as soon as the "Underwriter's Lock-up Periods" expire and sufficient float is available to satisfy options listing standards. Currently, Spyglass Inc. does not have sufficient shares outstanding (5.2 million shares) to qualify for options listing.

The four components that have less than six months of trading volume collectively account for only 4.58% of the Index's value. The Exchange represents that it will continually monitor the trading volume of these four components until each security reaches its six-month anniversary. During this period, if any one of the four components has a monthly trading volume of less than one million shares it will be removed from the Index. Once each component has passed its six-month anniversary, it will be maintained in the Index in accordance with the maintenance criteria set forth below and in Rule 902C, Commentary .02.⁶

⁶ The Commission believes that, under the circumstances, it is appropriate for the Amex to conclude that the component trading volume requirements set forth in the generic narrow-based criteria have been satisfied in the present proposal, particularly because (1) the four components comprise only 4.58% of the Index's total value; (2)

The Index is capitalization weighted and no individual component stock in the Index represents more than 25 percent of the weight of the Index, and the top five highest weighted stocks do not constitute more than 50 percent of the weight of the Index.

Maintenance of the Index

The Exchange will maintain the Index in accordance with Rule 901C, Commentary .02 so that (1) the total number component securities will not increase or decrease by more than 33 $\frac{1}{3}$ % from the number of components in the Index at the time of its initial listing and in no event will the index have less than nine components; (2) component stocks constituting the top 90% of the Index by weight, must have a minimum market capitalization of \$75 million and the component stocks constituting the bottom 10% of the Index, by weight, must have a minimum market capitalization of \$50 million; (3) the monthly trading volume of each component security shall be at least 500,000 shares, or for each of the lowest weighted components in the Index that in the aggregate account for no more than 10% of the weight of the Index, the monthly trading volume shall be at least 400,000 shares; (4) the Index must meet the criteria that no single component represents more than 25% of the weight of the Index and that the five highest weighted components represents no more than 50% of the Index as of the first day of January and July in each year; (5) the lesser of the five highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the Index have an average monthly trading volume of at least one million shares over the previous six months; and (6) 90% of the Index's numerical index value and at least 80% of the total number of component securities will meet the then current criteria for standardized option trading set forth in Exchange Rule 915.

The Exchange shall not open for trading any additional option series should the Index fail to satisfy any of the maintenance criteria set forth above unless such failure is determined by the Exchange not to be significant and the

trading volume of the four components currently meet and must continue to meet the required monthly trading volume requirements set forth in the generic standards; and (3) the options eligibility requirement contained in the generic criteria (*i.e.*, 90% of the index value and 80% of the total number of components must be options eligible) has been met by the Index and provides an additional safeguard that the Index cannot be substantially composed of securities that have a short trading history.

Broderbund Software/Learning Co.; C-Cube Microsystems; CUC International; Cabletron; Cisco Systems; Compression Labs; Davidson & Associates; Electronic Arts; FTP Software; H&R Block (CompuServe); Metricom; Microtouch; NTN Communications, Inc.; Netcom On-Line Communications; Netscape Communications; Newbridge Networks; NetManage; Novell; Optical Data Systems; PictureTel; Qualcomm; Sierra On-Line; Silicon Graphics, Inc.; Spectrum Holobyte; Spyglass; Stratacom; Sun Microsystems, Inc.; and UUnet Technologies.

⁴ See Securities Exchange Act Release No. 34157 (June 3, 1994), 59 FR 30062 (June 10, 1994).

⁵ In the case of ADRs, this represents market value as measured by total world-wide shares outstanding.

Commission concurs in that determination.

Index Calculation

The Index is market capitalization weighted, where the Index value is calculated by multiplying the primary exchange regular way last sale price of each component security by its number of shares outstanding, adding the sums and dividing by the current index divisor. The Index divisor was initially determined to yield a benchmark value of 200 on August 15, 1995. Similar to other stock index values published by the Exchange, the value of the Index will be calculated continuously and disseminated every 15 seconds over the Consolidated Tape Association's Network B.

The Index will be calculated and maintained by the Amex. A committee consisting of two representatives from the Amex, two representatives from Inter@ctive Week, a biweekly magazine published by Inter@ctive Enterprises L.L.C., and one representative from the digital interactive industry will be available to advise the Exchange when, pursuant to Rule 901C(b), the Exchange substitutes stocks, or adjusts the number of stocks included in the Index, based on changing conditions in the digital interactive industry or in the event of certain types of corporate actions such as a merger or takeover which warrants the removal of a component security from the Index. It is anticipated that the committee will meet on a quarterly basis to review possible candidates for removal or inclusion in the Index. The committee meeting will occur after the close of trading and any determination to remove or include a component in the Index will be publicly announced prior to the opening of trading on the following business day. However, in the event the Exchange determines to increase the number of Index component stocks to greater than 48 or reduce the number of component stocks to fewer than 26, the Exchange will submit a 19b-4 filing to the Commission. In selecting securities to be included in the Index, the Exchange, in conjunction with the committee, will be guided by a number of factors including market value of outstanding shares and trading activity and adherence to Rule 901C, Commentary .02.

Expiration and Settlement

The proposed options on the Index will be European style (i.e., exercises are permitted at expiration only), and cash settled. Standard option trading hours (9:30 a.m. to 4:10 p.m. New York time) will apply. The options on the

Inter@ctive Week Internet Index will expire on the Saturday following the third Friday of the expiration month ("Expiration Friday"). The last trading day in an expiring option series will normally be the second to last business day preceding the Saturday following the third Friday of the expiration month (normally a Thursday). Trading in expiring options will cease at the close of trading on the last trading day.

The Exchange plans to list options series with expirations in the three near-term calendar months and in the two additional calendar months in the January cycle. In addition, longer term option series having up to thirty-six months to expiration may be traded. In lieu of such long-term options on a full value Index level, the Exchange may instead list long-term, reduced value put and call options based on one-tenth ($\frac{1}{10}$) the Index's full value. In either event, the interval between expiration months for either a full value or reduced value long-term option will not be less than six months. The trading of any long term options would be subject to the same rules which govern the trading of all the Exchange's index options, including sales practice rules, margin requirements and floor trading procedures and all options will have European style exercise. Position limits on reduced value long term Inter@ctive Week Internet Index options will be equivalent to the position limits for regular (full value) Index options and would be aggregated with such options (for example, if the position limit for the full value options is 10,500 contracts on the same side of the market, then the position limit for the reduced value options will be 105,000 contracts on the same side of the market).

The exercise settlement value for all of the Index's expiring options will be calculated based upon the primary exchange regular way opening sale prices for the component stocks. In the case of securities traded through the NASDAQ system, the first reported regular way sale price will be used. If any component stock does not open for trading on its primary market on the last trading day before expiration, then the prior day's last sale price will be used in the calculation.

Exchange Rules Applicable to Stock Index Options

Amex Rules 900C through 980C will apply to the trading of option contracts based on the Index. These Rules cover issues such as surveillance, exercise prices, and position limits. Surveillance procedures currently used to monitor trading in each of the Exchange's other index options will also be used to

monitor trading in options on the Inter@ctive Week Internet Index. The Index is deemed to be a Stock Index Option under Rule 901C(a) and a Stock Index Industry Group under Rule 900C(b)(1). With respect to Rule 903C(b), the Exchange proposes to list near-the-money (i.e., within ten points above or below the current index value) option series on the Index at $2\frac{1}{2}$ point strike (exercise) price intervals when the value of the Index is below 200 points. In addition, the Exchange expects that the review required by Rule 904C(c) will result in a position limit of 10,500 contracts with respect to options on this Index.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of change, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition.

(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

Because the foregoing rule change complies with the standards set forth in the Generic Index Approval Order, it has become effective pursuant to Section 19(b)(3)(A) of the Act. Pursuant to the Generic Index Approval Order,⁷ the Exchange may not list the Amex Inter@ctive Week Internet Index options for trading prior to 30 days after August 23, 1995, the date the proposed rule change was filed with the Commission. At any time within 60 days of the filing of the 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

⁷ See Securities Exchange Act Release No. 34157 (June 3, 1994), 59 FR 30062 (June 10, 1994).

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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to SR-Amex-95-34 and should be submitted by September 22, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-21848 Filed 8-31-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36159; File No. SR-CBOE-95-07]

Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Approving and Notice of Filing and Order Granting Accelerated Approval of Amendment to a Proposed Rule Change Relating to Solicited Transactions

August 25, 1995.

I. Introduction

On February 14, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal to modify Paragraph (e) of CBOE Rule 6.9

concerning solicited transactions. The proposal would eliminate the requirement that the terms of a matching order be disclosed to the trading crowd before a member or associated person would be permitted to trade based on knowledge of an imminent, undisclosed solicited transaction. The proposed rule change was published for comment and appeared in the **Federal Register** on March 28, 1995.³ No comments were received regarding the original proposal. On June 22, 1995, the CBOE filed Amendment No. 1 to its proposal.⁴ This order approves the proposal, as amended.

II. Description of the Proposal

On November 9, 1994, the Commission approved a CBOE proposal to adopt a new Rule 6.9 that regulates the execution of solicited orders, and sets forth specific priority principles applicable to such orders. In addition, Rule 6.9(e) restricts trading by members and associated persons of members possessing knowledge of imminent undisclosed solicited transactions.⁵

Paragraph (e) of CBOE Rule 6.9 generally restricts the ability of a member, or an associated person, who has indicated in response to a solicitation an intention to place a responsive order, and anyone aware of that intention, to trade options of the same class as any option that is the subject of the original order, or securities underlying such options, or any related instruments. If either of two conditions is met, however, the restriction does not apply. The first condition is that all the terms of both the original order and the matching

order be disclosed to the trading crowd.⁶

The Exchange now proposes to amend paragraph (e) to eliminate the requirement contained in the first condition that the terms of the solicited matching order be disclosed to the trading crowd. Thus, when there has been advance solicitation of the other side of an original order, a member (or associated person) with knowledge of the original order and a matching responsive order is not permitted to trade options of the same class as any option that is the subject of the original order, the securities underlying such options, and any related instruments, until the terms of the original order, and any changes in the terms and conditions of the original order of which the member or associated person has knowledge,⁷ are disclosed to the trading crowd; once those terms are disclosed, however, the member or person associated with the member may trade even if the terms of the matching order are not disclosed. The Exchange has stated that this modification would place solicited parties on an equal footing with Exchange members who have knowledge of the terms of the original order only, and would conform the trading restriction in paragraph (e) to the various priority provisions of Rule 6.9, and Interpretation .02 thereunder, which generally require disclosure only of the terms of an original order, not the terms of a matching solicited order.

Finally, the Exchange has proposed adding Interpretation .06 to Rule 6.9. Interpretation .06 states that disclosing all the terms of the original order and any changes in the terms and conditions of the original order to the crowd prior to effecting a trade does not provide a safe harbor from possible violations of front-running prohibitions, and that front-running is considered to be a violation of Exchange Rule 4.1, Just and Equitable Principles of Trade.⁸

III. Discussion

The Commission finds the proposed rule change consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act because the proposal is designed to remove impediments to and perfect the

³ See Securities Exchange Act Release No. 35519 (March 21, 1995), 60 FR 15948.

⁴ Amendment No. 1 effects two changes to the Exchange's proposal. First, Paragraph (e) of Rule 6.9 is revised to state explicitly that any change in the terms and conditions of the original order, as it is entered on the trading floor and of which the member has knowledge where there is a matching solicited order, must also be disclosed to the trading crowd before that member or that person associated with a member could permissibly trade an option of the same class as any option that is the subject of the original order, a security underlying such class, or a related instrument. Second, the Exchange proposes adding a new Interpretation .06 to Rule 6.9 stating that disclosing the terms and conditions of the original order any changes to the original order pursuant to Paragraph (e) for Rule 6.9 does not provide a safe harbor from possible front-running prohibitions. Front-running is considered to be a violation of CBOE Rule 4.1. See letter from Timothy Thompson, CBOE, to Michael Walinskas, Branch Chief, Division of Market Regulation, Commission, dated June 22, 1995 ("Amendment No. 1").

⁵ See Securities Exchange Act Release No. 34959 (November 9, 1994), 59 FR 59446.

⁶ The second condition is that the solicited order can no longer reasonably be considered imminent in view of the passage of time since the solicitation.

⁷ See Amendment No. 1, *supra* note 4.

⁸ *Id.*

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).