Commission has further determined that, pursuant to 10 CFR 70.14, the exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. The Commission hereby grants the licensee an exemption from the requirements of 10 CFR 70.24(a)(1), (2), and (3), on the bases as stated in Section II above.

Pursuant to 10 CFR 51.32, the Commission has determined that granting of this exemption will have no significant effect on the quality of the human environment (62 FR 40122).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 29th day of July 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97–20451 Filed 8–1–97; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–413 and 50–414]

In the Matter of Duke Power Company, et al. (Catawba Nuclear Station, Units 1 and 2)

Exemption

I

The Duke Power Company, et al. (the licensee) is the holder of Facility Operating License Nos. NPF–35 and NPF–52, for the Catawba Nuclear Station, Units 1 and 2. The licenses provide, among other things, that the licensee is subject to all rules, regulations, and orders of the Commission now or hereafter in effect.

These facilities consist of two pressurized water reactors located at the licensee's site in York County, South Carolina.

II

Title 10 of the Code of Federal Regulations (10 CFR) at subsection (a) of 10 CFR 70.24, ''Criticality Accident Requirements,'' requires that each licensee authorized to possess special nuclear material shall maintain in each area where such material is handled, used, or stored, a criticality accident monitoring system ''using gamma- or neutron-sensitive radiation detectors which will energize clearly audible alarm signals if accidental criticality occurs.'' Subsections (a)(1) and (a)(2) of 10 CFR 70.24 specify the detection, sensitivity, and coverage capabilities of the monitors required by 10 CFR 70.24(a). Subsection (a)(3) of 10 CFR 70.24 requires that the licensee shall maintain emergency procedures for each area in which this licensed special nuclear material is handled, used, or stored and provides (1) that the procedures ensure that all personnel withdraw to an area of safety upon the sounding of a criticality monitor alarm, (2) that the procedures must include drills to familiarize personnel with the evacuation plan, and (3) that the procedures designate responsible individuals for determining the cause of the alarm and placement of radiation survey instruments in accessible locations for use in such an emergency. Subsection (b)(1) requires licensees to have a means to quickly identify personnel who have received a dose of 10 rads or more. Subsection (b)(2) requires licensees to maintain personnel decontamination facilities, to maintain arrangements for a physician and other medical personnel qualified to handle radiation emergencies, and to maintain arrangements for the transportation of contaminated individuals to treatment facilities outside the site boundary. Subsection (c) exempts Part 50 licensees (such as Catawba) from the requirements of paragraph (b). Subsection (d) states that any licensee who believes that there is good cause why he should be granted an exemption from all or part of 10 CFR 70.24 may apply to the Commission for such an exemption and shall specify the reasons for the relief requested.

By letter dated February 4, 1997, as supplemented March 19, 1997, Duke Power Company requested an exemption for its two nuclear plants from the requirements of 10 CFR 70.24. The staff has reviewed the submittal in regard to Catawba, and documented its detailed review in a Safety Evaluation. The staff found that Catawba's existing procedures and design features make an inadvertent criticality in special nuclear materials handling or storage at Catawba unlikely. The licensee has thus met the intent of 10 CFR 70.24(a) (1), (2), and (3) by the low probability of an inadvertent criticality in areas where fresh fuel could be present, by the licensee's adherence to General Design Criterion 63 regarding radiation monitoring, and by provisions for personnel training and evacuation.

III

Section 70.14 of 10 CFR, ''Specific exemptions,'' states that

The Commission may, upon application by any interested person or upon its own initiative, grant such exemptions from the requirements of the regulations in this part as it determines are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest.

Section 70.24(d) of 10 CFR states that

Any licensee who believes that good cause exists why he should be granted an exemption in whole or in part from the requirements of this section may apply to the Commission for such exemption.

Accordingly, the Commission has determined that good cause is present as defined in 10 CFR 70.24(d). The Commission has further determined that, pursuant to 10 CFR 70.14, the exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, the Commission hereby grants Duke Power Company an exemption from the requirements of 10 CFR 70.24(a) (1), (2), and (3) for Catawba, Units 1 and 2, on the bases as stated in Section II above.

Pursuant to 10 CFR 51.32, the Commission has determined that granting of this exemption will have no significant effect on the quality of the human environment (62 FR 40553).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 29th day of July 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97–20452 Filed 8–1–97; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–38882; File No. SR–CHX–97–15]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendments Nos. 1, 2, and 3 Thereto by the Chicago Stock Exchange, Inc., Relating to a Specialist's De-Registration in an Issue

July 28, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on June 4, 1997, the Chicago Stock Exchange, Inc. (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change, and on July 3, 1997, July 22, 1997, and July 28, 1997, filed Amendment Nos. 1, 2, and 3,

respectively,[1] to the proposed rule change, as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 Article XXX, Rule 1, Interpretation and Policy .01 of the CHX Rules, to change a policy of the Exchange's Committee on Specialist Assignment and Evaluation (''CSAE'') relating to the time periods for which a co-specialist must trade a security before deregistering as the specialist for the security. This policy would be in effect for a one year pilot program.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and 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 self-regulatory organization 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

The Exchange's CSAE is responsible for, among other things, appointing specialists and co-specialists[2] and conducting deregistration proceedings in accordance with Article XXX of the Exchange's rules.[3] As described in existing Interpretation and Policy .01 of Rule 1 of Article XXX, seven circumstances may lead to the need for assignment or re-assignment of a security. One such circumstance is by specialist request.

Currently, the CSAE ''will initiate a re-assignment proceeding if it believes that such action is called for.''[4] Using this standard, the CSAE's current policy is to require a co-specialist to trade an issue awarded in competition[5] for a two year period, and to trade an issue awarded without competition for a six-month period, before permitting a co-specialist to deregister in the issue.

The CHX proposes to amend this policy for a one year pilot program. Specifically, the proposal would change the time periods for which a co-specialist must trade an issue before the CSAE will, in general, approve a co-specialist's request to deregister in an issue.[6] These time periods would vary depending on whether the issue was awarded in competition or without competition and whether another specialist will assume the responsibility to trade the issue.

Under the proposed rule change, for a security that was awarded to a co-specialist in competition, such co-specialist will be required to trade the security for one year before being able to deregister in the security if no other specialist will be assigned to the security after posting.[7] The two year time period currently in place for an intra-firm transfer of such issues (*i.e.*, transferring the issue to another co-specialist in the same specialist unit) will remain. For a security that was awarded to a co-specialist without competition, such co-specialist will be required to trade the security for a three month period before being able to deregister in the security if no other specialist will be assigned to the security after posting. The six month time period currently in place for an intra-firm transfer of such issues will remain.

Whether or not the security was awarded in competition, the effective date of a specialist's deregistration in an issue for which no specialist will be assigned after posting will be the first business day of each calendar quarter; provided, however, that the applicable time period for which a specialist is required to trade an issue must have been satisfied prior to such date.

Whether or not the security was awarded in competition, in general, the CSAE will require that order sending firms be given at least 15 days advance notice of a co-specialist's intention to de-register in the issue.

The Exchange believes that this new policy will encourage more specialists and co-specialists to become the specialist or co-specialist in additional securities. By reducing the current two year requirement to one year and the current six month requirement to three months, a specialist or co-specialist will reduce its risk and exposure that is attendant with registering as a specialist or co-specialist for a particular issue. The Exchange believes that the current two year and six month standards are too long—they are too burdensome and onerous on a specialist or co-specialist. Circumstances can unexpectedly change over a two year period. As a result, under the current policy, a specialist or co-specialist may be reluctant to apply to become a specialist in an issue. The Exchange believes that the new policy, as proposed, will more accurately balance the need for consistency and continuity with respect to the trading of an issue by a particular specialist against the need by a specialist to have the flexibility to de-register as the specialist for an unprofitable issue. As stated above, this will encourage specialists to apply to trade more issues. This, in turn, will increase the liquidity and depth of the market. For example, it might encourage a specialist to trade an issue in which no specialist is currently assigned.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act[8] in that it is 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

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[1] *See* Letter from David T. Rusoff, Attorney, Foley & Lardner, to Sharon Lawson, Senior Special Counsel, Division of Market Regulation, Commission, dated June 23, 1997 (''Amendment No. 1'') and Letters from David T. Rusoff, Attorney, Foley & Lardner, to Heather Seidel, Attorney, Division of Market Regulation, Commission, dated July 16, 1997 (''Amendment No. 2'') and July 21, 1997 (''Amendment No. 3'').

[2] A specialist is a ''unit'' or organization which has registered as such with the Exchange under Article XXX, Rule 1. A co-specialist is an individual who has registered as such under Article XXX, Rule 1. *See* CHX Rules Article XXX, Rule 1, Interpretation and Policy .01.4(a).

[3] *See* CHX Rules Article IV, Rule 4.

[4] *See* CHX Rules Article XXX, Rule 1, Interpretation and Policy .01.2.

[5] In this context, ''in competition'' means that more than one specialist had applied to be the specialist in the issue.

[6] The Exchange stated its intention to have the new policy apply anytime there will not be another specialist assigned to the issue, such as if the security was to be returned to the cabinet, put in the cabinet for the first time, or traded by a lead primary market maker pursuant to CHX Rules Article XXXIV, Rule 3. *See* Amendment No. 2, supra note 1. Cabinet securities are those securities which the Board of Governors designates to be traded in the cabinet system because in the judgment of the Board such securities do not trade with sufficient frequency to warrant their retention in the specialist system. *See* CHX Rules Article XXVIII, Rule 6. For a more detailed explanation of the operation of the cabinet system, see CHX Rules Article XX, Rule 11.

[7] In this context, posting means that all specialists are put on notice that the security in question is available for reassignment. *See* CHX rules Article XXX, Rule 1. Telephone conversation between David Rusoff, Attorney, Foley & Lardner, and Heather Seidel, Attorney, Market Regulation, Commission, on July 24, 1997.

[8] 15 U.S.C. 78f(b)(5).

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 impose any inappropriate 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 either solicited or received.

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

Within 35 days of the publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve the proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

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, N.W., Washington, D.C. 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 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–CHX–97–15 and should be submitted by August 25, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. [9]

[9] 17 CFR 200.30–3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–20410 Filed 8–1–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–38875; File No. SR–Phlx–97–18]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc. Relating to Telemarketing Practices by Members and Member Organizations

July 25, 1997.

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 June 30, 1997, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. On July 21, 1997, the Phlx submitted Amendment No. 1 to the proposed rule change.[3] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change, as amended.

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

The Exchange proposes to add Rule 762, Telemarketing, which is substantially similar to applicable provisions of the Federal Trade Commission rules adopted pursuant to the Telemarketing and Consumer Fraud and Abuse Prevention Act (''Telemarketing Act'').[4]

The proposal also amends Rule 605, Advertising, Market Letters, Research Reports and Sales Literature, requiring telemarketing scripts to be retained for three years and to make the rule specifically applicable to foreign currency option participants and foreign currency option participants organizations as well as to members and member organizations.[5]

The text of the proposed rule change and Amendment No. 1 is available at the Office of the Secretary, Phlx, and at the Commission.

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 self-regulatory organization included statements concerning the purpose of and 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 III below. The self-regulatory organization 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

Purpose

Under the Telemarketing Act, which became law in August 1994,[6] the Federal Trade Commission adopted detailed regulations (''FTC Rules'') [7] to prohibit deceptive and abusive telemarketing acts and practices; the regulations became effective on December 31, 1995.[8] The FTC Rules, among other things, (i) Require the maintenance of ''do-not-call'' lists and procedures, (ii) prohibit certain abusive, annoying, or harassing telemarketing calls, (iii) prohibit telemarketing calls before 8 a.m. or after 9 p.m., (iv) require a telemarketer to identify himself or herself, the company he or she works for, and the purposes of the call, and (v) require express written authorization or other verifiable authorization from the customer before the firm may use negotiable instruments called ''demand drafts.'' [9]

[1] 15 U.S.C. § 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, to Deborah Flynn, Attorney, Division of Market Regulation, SEC, dated July 14, 1997 (''Amendment No. 1''). In Amendment No. 1, the Phlx replaced all references to ''participant'' and ''participant organization'' in the proposal with ''foreign currency option participant'' and ''foreign currency option participant organization'' to clarify the applicability of the proposed rule.

[4] 15 U.S.C. §§ 6101–08.

[5] According to the Exchange, it will issue an Information Circular advising the membership of the new telemarketing rules upon their approval, and clarifying that abusive, annoying or harassing telemarketing calls by members, foreign currency option participants, member organizations and foreign currency option participant organizations or their associated persons are violative of Phlx Rules 707 and 762.

[6] *See* Telemarketing Act, *supra* note 4.

[7] 16 CFR 310.

[8] §§ 310.3–4 of FTC Rules.

[9] *Id.* Pursuant to the Telemarketing Act, the FTC Rules do not apply to brokers, dealers, and other

Continued