

on the London and New York stock exchanges. Applicant states that, upon completion of the Merger, National Grid and Lattice shareholders would hold approximately 57.3% and 42.7%, respectively, of the issued shares of Grid Transco.

C. Current Authority

By order dated January 16, 2002 (HCAR No. 27490), the Commission authorized, among other things, National Grid to (1) invest up to \$5.406 billion in FUCOs; and (2) issue and sell equity and debt securities the value of which would not exceed an aggregate amount of \$6 billion at any one time outstanding ("Aggregate Limit") through September 30, 2004. More specifically, National Grid was authorized to issue up to \$4.5 billion in equity securities and \$5 billion in debt securities, subject to the Aggregate Limit.

II. Requested Authority

As of March 31, 2002, National Grid had invested, in the aggregate, approximately \$3.104 billion in FUCOs; therefore, National Grid's current unused FUCO investment authority is \$2.302 billion. The Merger alone would require the issuance of approximately \$9.4 billion in Grid Transco shares, and a corresponding increase in the holding company's authorized level of FUCO investment. Consequently, Grid Transco's aggregate investment would be approximately \$12.5 billion. To effect the Merger and maintain flexibility to make other FUCO investments, National Grid requests authority, through September 30, 2004, to: (1) Issue and sell equity and debt securities and to enter into guarantees up to an aggregate limit of \$20 billion, subject to the following subcategory limits: up to (a) \$18 billion in equity securities; (b) \$12 billion in debt securities; and (c) \$6 billion in guarantees; and (2) invest up to \$20 billion in FUCOs.

For the Commission by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-21427 Filed 8-21-02; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following

meetings during the week of August 26, 2002:

An Open Meeting will be held on Tuesday, August 27, 2002, at 10 a.m., in Room 1C30, the William O. Douglas Room, and Closed Meetings will be held on Wednesday, August 28, 2002 at 10 a.m., and Thursday, August 29, 2002 at 10 a.m.

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

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)(3), (5), (7), (8), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), (8), (9)(ii) and (10), permit consideration of the scheduled matters at the Closed Meetings.

The subject matter of the Closed Meeting scheduled for Wednesday, August 28, 2002, will be:

Formal orders of investigation; Litigation matter; Regulatory matter bearing enforcement implications; Institution and settlement of injunctive actions; and Institution and settlement of administrative proceedings of an enforcement nature.

The subject matter of the Closed Meeting scheduled for Thursday, August 29, 2002, will be:

Settlement of injunctive actions; and Opinions

The subject matter of the Open Meeting scheduled for Tuesday, August 27, 2002, will be:

1. The Commission will consider approving a delegation to the General Counsel to issue certain orders in Commission administrative proceedings. The proposed delegation would authorize the General Counsel to issue orders, pursuant to Rule of Practice 411(b), under which the Commission would take up on its own motion the issue of what sanctions are appropriate in the public interest.

2. The Commission will consider whether to issue a notice of an application from The Mexico Fund, Inc. (the "Fund") seeking certain exemptions from the Investment Company Act of 1940. The application seeks an order to permit the Fund to make periodic repurchase offers in compliance with rule 23c-3 under the Act, except that (i) the repurchase offers would be for between one and one hundred percent of the Fund's outstanding shares provided that the

Fund will offer to repurchase at least five percent of its outstanding shares each fiscal year; (ii) shareholders participating in the repurchase offers would receive in-kind pro rata portfolio securities of the Fund for their shares; and (iii) the board of directors of the Fund would be able to set and reset the periodic interval between repurchase offers at 3, 6 or 12 months upon prior notice to shareholders. The Fund also requests that the order permit it to remain a closed-end management investment company should the Fund's securities be deemed "redeemable securities" as a result of the repurchase offers and to permit certain affiliated shareholders to participate in the repurchases.

3. The Commission will consider whether to adopt amendments to accelerate the filing of quarterly and annual reports under the Securities Exchange Act of 1934. The amendments also would require companies to disclose in their annual reports whether they provide access to their reports on their websites. The amendments were proposed by the Commission in April, 2002.

4. The Commission will consider whether to adopt new rules that would require an issuer's principal executive and financial officers to certify the issuer's quarterly and annual reports filed under the Securities Exchange Act of 1934. In addition, the new rules would require issuers to maintain internal controls to provide reasonable assurance that they are able to collect, process and disclose the information required in their Exchange Act reports, and to periodically review and evaluate these controls. The Commission announced in Exchange Act Release No. 46300 (Aug. 2, 2002) that it would consider rules to implement Section 302 of the Sarbanes-Oxley Act of 2002.

5. The Commission will consider adopting rules and form amendments to implement the accelerated filing deadline applicable to change of beneficial ownership reports required to be filed by officers, directors and principal security holders under Section 16(a) of the Securities Exchange Act of 1934, as amended by Section 403 of the Sarbanes-Oxley Act of 2002. The Commission announced in Exchange Act Release No. 46313 (Aug. 6, 2002) that it would consider adopting such amendments.

6. The Commission will consider whether the National Association of Securities Dealers, Inc. ("NASD") and the Nasdaq Stock Market, Inc. ("Nasdaq") have satisfied the conditions that must be implemented prior to or at the same time as Nasdaq's

implementation of a new order display and collection facility ("SuperMontage"). The conditions, which were imposed by the Commission in a prior order granting conditional approval of the SuperMontage, include an alternative display facility established by the NASD for the display of market maker and ECN quotes.

7. The Commission will consider whether to grant a de minimis exemption from the trade-through restrictions of the Intermarket Trading System Plan for transactions in exchange-traded funds tracking the Nasdaq-100 Index ("QQQs"), the Dow Jones Industrial Average ("DIAMONDS"), and the Standard and Poors 500 Index ("SPDRs"). The exemption would cover transactions that are executed at no more than three cents (\$0.03) away from the national best bid and offer displayed in the Consolidated Quote.

8. The Commission will consider whether to issue a release adopting rule amendments and a new rule under the Securities Exchange Act of 1934 ("Exchange Act") that were proposed for comment in the **Federal Register** on June 10, 2002. New paragraph (e) of Rule 10b-10 and new Rule 11d2-1 are designed to clarify the disclosures broker-dealers effecting transactions in security futures products in futures accounts must make in the confirmations sent to customers regarding those transactions.

9. The Commission is proposing for comment amendments to the formula for determination of customer reserve requirements ("Reserve Formula") of broker-dealers under Rule 15c3-3 to the Securities Exchange Act of 1934. The proposed amendments relate to treatment under the Reserve Formula of customer security futures product margin required and on deposit with a registered clearing agency or a derivatives clearing organization.

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: August 20, 2002.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-21598 Filed 8-20-02; 3:57 pm]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46364; File No. SR-Amex-2002-62]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange LLC Amending Amex Rule 174 To Provide for Dissemination of a Depth Indication

August 15, 2002.

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 July 19, 2002, 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. On August 2, 2002, the Amex filed an amendment to the proposal.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to add Commentary .03 to Amex Rule 174, Disclosures by Specialists,⁴ to provide for dissemination of a depth indication by Exchange specialists. The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in brackets.

Rule 174 Disclosures by Specialists [Prohibited]

* * * * *

Commentary .03

(a) On a best efforts basis, the specialist may disseminate a depth indication in any security. Such depth indication may be disseminated for the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Claire P. McGrath, Senior Vice President and Deputy General Counsel, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated August 1, 2002 ("Amendment No. 1"). In Amendment No. 1, the Exchange corrected typographical errors in the text of the proposed rule language and requested that the Commission waive the 30-day pre-operative period required under Rule 19b-4(f)(6), 17 CFR 240.19b-4(f)(6). For purposes of calculating the 60-day abrogation period, the Commission considers the period to have commenced on August 2, 2002.

⁴ Prior to this filing, the title of Amex Rule 174 was "Disclosures by Specialists Prohibited," but the rule title will be referred to hereafter in this filing as "Disclosures by Specialists."

purpose of indicating that there is additional market interest to buy below the current published bid, or additional market interest to sell above the current published offer, as described in paragraph (b) below. The depth indication shall be disseminated by means of an appropriate symbolic designation, appended to the current published bid and/or offer, as appropriate, but the depth indication shall not itself be deemed to constitute a "firm quotation" for purposes of this Rule or Rule 11Ac1-1 under the Securities Exchange Act of 1934.

(b) The depth indication may be disseminated only when there is market interest, consisting of the specialist's proprietary interest as well as interest reflected by orders represented by the specialist as agent (including percentage orders), aggregating such minimum number of shares and range of prices below the published bid or above the published offer as the Exchange deems appropriate and communicates to its membership.

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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

The Exchange proposes to add Commentary .03 to Amex Rule 174, Disclosures by Specialists, to permit Amex specialists to disseminate a depth indication, indicating that there is additional market interest in a security to buy below the current displayed bid or interest to sell above the current displayed offer. The Amex believes this change will enhance market transparency and thereby facilitate execution of orders at the best available price. The depth indication of additional market interest would include specialist proprietary interest, orders on the specialist's book, and other orders, including percentage orders, that the specialist is representing