

meeting sessions will begin at 8 a.m. on both days.

On Tuesday, the meeting will focus on the DOE's planned repository design and operating mode for Yucca Mountain. The Board has invited the DOE to describe clearly the thermal aspects of the repository design and operating mode, how the thermal aspects of the design and operating mode were analyzed for waste isolation, and the results of the analyses.

The half-day meeting on Wednesday will include discussions of other scientific issues related to a Yucca Mountain repository, including a presentation on corrosion research by a representative of the Center for Nuclear Waste Regulatory Analyses; a presentation on geophysical and hydrogeologic investigations by a representative of Inyo County, California; an update on the Yucca Mountain science and technology program; and a presentation by a representative of the Igneous Consequences Peer Review Panel. The session also will include a discussion of the DOE's performance confirmation plans.

Opportunities for public comment will be provided before adjournment on both days. Those wanting to speak during the public comment periods are encouraged to sign the "Public Comment Register" at the check-in table. A time limit may have to be set on individual remarks, but written comments of any length may be submitted for the record. Interested parties also will have the opportunity to submit questions in writing to the Board. If time permits, the questions will be addressed during the meeting.

A detailed agenda will be available approximately one week before the meeting. Copies of the agenda can be requested by telephone or obtained from the Board's Web site at <http://www.nwtrb.gov>. Beginning on June 16, 2003, transcripts of the meeting will be available on the Board's Web site, via e-mail, on computer disk, and on a library-loan basis in paper format from Davonya Barnes of the Board staff.

A block of rooms has been reserved at the Watergate Hotel. A meeting rate is available for reservations made by April 21, 2003. When making a reservation, please state that you are attending the Nuclear Waste Technical Review Board meeting. For more information, contact the NWTRB; Karyn Severson, External Affairs; 2300 Clarendon Boulevard, Suite 1300; Arlington, VA 22201-3367; (tel) 703-235-4473; (fax) 703-235-4495.

Dated: April 17, 2003.

William D. Barnard,

Executive Director, Nuclear Waste Technical Review Board.

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SECURITIES AND EXCHANGE COMMISSION

[Securities Exchange Act of 1934: Release No. 47683 and International Series Release No. 1268]

Order Regarding the Collateral Broker-Dealers Must Pledge When Borrowing Customer Securities

April 16, 2003.

Section 36 of the Securities Exchange Act of 1934 ("Exchange Act") authorizes the Securities and Exchange Commission ("Commission"), by rule, regulation, or order, to conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provision or provisions of the Exchange Act or any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.

By this Order, the Commission will allow broker-dealers that borrow fully-paid¹ and excess margin² securities from customers to pledge a wider range of collateral than is currently permitted under paragraph (b)(3) of rule 15c3-3 (17 CFR 240.15c3-3). Most of the categories of permissible collateral added by this Order were selected based on their high quality and liquidity. The remaining categories, certain sovereign debt securities and foreign currencies, are being added because they may be pledged only when borrowing non-equity securities issued by entities (including the sovereign entity) from the same sovereign jurisdiction or denominated in the same currency, respectively. In these cases, market declines affecting the pledged collateral should be expected to have a related affect on the borrowed securities. By adding only highly liquid collateral or, with respect to two categories, collateral that is restricted in its use, the Order is consistent with the objectives of

¹ As defined in rule 15c3-3, "fully paid" securities are securities carried by a broker-dealer for which the customer has paid the full purchase price in cash. 17 CFR 240.15c3-3(a)(3).

² As defined in rule 15c3-3, "excess margin" securities are securities carried by a broker-dealer that have a market value in excess of 140% of the amount the customer owes the broker-dealer. 17 CFR 240.15c3-3(a)(5).

paragraph (b)(3) of rule 15c3-3, which is designed to ensure borrowings from customers remain fully collateralized.

The Commission took into account several considerations in deciding whether to provide this exemptive relief and designate additional categories of permissible collateral. For example, the Commission considered whether the risks of customer losses associated with permitting a new category of collateral were sufficiently small relative to the benefits the additional kinds of collateral will provide. Those benefits include adding liquidity to the securities lending markets and lowering borrowing costs for broker-dealers. In issuing this Order, the Commission is drawing on its experience in assessing the liquidity of markets in a variety of contexts including, for example, the net capital requirements for broker-dealers.

The rule currently requires that the collateral provided by a broker-dealer fully collateralize its obligation to a customer, and that the value of the loaned securities and the collateral be marked to market on a daily basis to meet this requirement. The Order requires, in addition to the rule's requirements, over-collateralization when the collateral is denominated in a different currency than the borrowed securities. The daily marking to market and over-collateralization should serve to buffer fluctuations in value.

The Commission finds that this exemption is appropriate in the public interest, and consistent with the protection of investors. The exemption will add liquidity to the securities lending markets and lower borrowing costs while maintaining the customer protection objectives of rule 15c3-3.

Accordingly, *it is ordered*, pursuant to section 36 of the Exchange Act, that, broker-dealers may pledge, in accordance with all applicable conditions set forth below and in paragraph (b)(3) of rule 15c3-3, the following types of collateral (in addition to those permitted under paragraph (b)(3) of rule 15c3-3) when borrowing fully paid and excess margin securities from customers:³

1. "Government securities" as defined in section 3(a)(42)(A) and (B) of the Exchange Act may be pledged when borrowing any securities.

2. "Government securities" as defined in section 3(a)(42)(C) of the Exchange Act issued or guaranteed as to principal or interest by the following corporations may be pledged when borrowing any

³ All prior staff interpretations and no-action positions concerning the types of collateral that may be pledged under paragraph (b)(3) of rule 15c3-3 are herewith withdrawn.