subject to ''break up'' at the cross price.[3] Rule (b) currently provides priority to agency crosses of 25,000 shares or more, at or within the prevailing quotation, where neither side of the cross is an order for the account of a member or member organization. Such crosses may, however, be broken up at a price that is better than the proposal cross price for one side or the other.

In certain circumstances where a customer of a member organization has a large size order, a member organization may look to facilitate the execution of the transaction at a single price by participating in whole or in part on the other side of the trade. To address these situations, the Exchange believes it is appropriate to amend Rule 72(b) to provide that a cross of 100,000 shares or more may be executed ''clean'' at the cross price if the member or member organization is facilitating a customer order in whole or in part. This will make it easier for member organizations and their customers to execute large size trades at a single price on the Exchange, where it is the desire of the trading parties to have these executions ''clean'' at the cross price. Such trades would not be subject to being broken up at the cross price, but would still be eligible for price improvement as currently provided for under Rule 72(b). The Exchange believes that this proposal addresses perceptions that because of decimal trading large cross transactions are at risk of being broken up at the cross price with the result that such transactions may not be brought to the Exchange in the first instance and exposed for possible price improvement. The Exchange believes that the 100,000-share minimum size requirement addresses the need for member organizations and their customers to execute large cross transactions promptly and efficiently, while ensuring that pre-existing market interest at the cross price would be displaced only where the transaction is of a very significant size. The Exchange proposes to operate this amendment as a pilot to run six months after approval by the Commission in order to ascertain what impact it may have on the Exchange's market.

The Exchange also believes it is appropriate, particularly in a decimal environment, to amend Rule 72(b) to provide that a specialist may not effect a proprietary transaction to provide price improvement to one side of a clean cross or the other. The Exchange understands that there may be a perception that specialists can break up a proposed cross transaction by trading for their own account at a minimally improved price, and, thereby, step ahead of a public customer on the other side of the cross. The proposed amendment will preserve the auction market principle of price improvement since non-proprietary interest of specialists and particular Floor brokers in the market may offer price improvement at any minimum variation. This amendment would not be a pilot but is filed for permanent effectiveness.

2. Statutory Basis

The Exchange believes the proposal is consistent with the requirement under Section 6(b)(5)[4] of the Act that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The Exchange believes the proposed rule change strikes a reasonable balance between the ability of members and member organizations to execute cross transactions and the ability of other public market participants to offer price improvement.

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 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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Within 35 days of the date of 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 Exchange consents, the Commission will:

(A) by order approve such 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, 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 filled 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 NYSE. All submissions should refer to file number SR–NYSE–2001–18 and should be submitted by November 27, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[5]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–27790 Filed 11–5–01; 8:45 am]

BILLING CODE 8010–01–M

[3] *See* Securities Exchange Act Release No. 31343 (October 21, 1992) 57 FR 48645 (October 27, 1992)(SR–NYSE–90–39).

[4] 15 U.S.C. 78f(b)(5).

[5] 17 CFR 200.30.–3(a)(12).

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Intelligent Transportation Society of America: Public Meeting

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of public meeting.

SUMMARY: The Intelligent Transportation Society of America (ITS AMERICA) will hold a meeting of its Board of Directors on Thursday, November 29, 2001. The meeting begins at 2 p.m. The letter designations that follow each item mean the following: (I) Is an information item; (A) is an action item; (D) is a discussion item. The session includes the following items: (1) Welcome & Introductions (I); (2) Antitrust Statements (I);(3) Approval of 10-year National ITS Program Plan as

Program Advice to the U.S. Department of Transportation; (4) Adjournment.

ITS AMERICA provides a forum for national discussion and recommendations on ITS activities including programs, research needs, strategic planning, standards, international liaison, and priorities.

The charter for the utilization of ITS AMERICA establishes this organization as an advisory committee under the Federal Advisory Committee Act (FACA) 5 U.S.C. app. 2, when it provides advice or recommendations to DOT officials on ITS policies and programs. (56 FR 9400, March 6, 1991).

DATES: The Board of Directors of ITS AMERICA will meet on Thursday, November 29, 2001 at 2 p.m. at the ITS America Offices.

ADDRESSES: 400 Virginia Avenue, SW., Suite 800, Washington, DC 20024–2730. Phone: (202) 484–4847, Fax (202) 484–3483.

FOR FURTHER INFORMATION CONTACT: Materials associated with this meeting may be examined at the offices of ITS AMERICA, 400 Virginia Avenue SW., Suite 800, Washington, DC 20024. Persons needing further information or who request to speak at this meeting should contact Debbie M. Busch at ITS AMERICA by telephone at (202) 484–2904 or by FAX at (202) 484–3483. The DOT contact is Kristy Frizzell, FHWA, HOIT, Washington, DC 20590, (202) 366–9536. Office hours are from 8:30 a.m. to 5 p.m., e.t., Monday through Friday, except for legal holidays.

(23 U.S.C. 315; 49 CFR 1.48)

Issued on: October 31, 2001.

Jeffrey Paniati,

Program Manager, ITS Joint Program Office, Department of Transportation.

[FR Doc. 01–27871 Filed 11–5–01; 8:45 am]

BILLING CODE 4910–22–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Denial of Motor Vehicle Defect Petition, DP00–008

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Denial of petition for a defect investigation.

SUMMARY: This notice sets forth the reasons for the denial of a petition submitted to NHTSA under 49 U.S.C. 30162, requesting that the agency commence an investigation into an alleged defect in the water pump in model year (MY) 1994–1998 Saab 900S motor vehicles.

FOR FURTHER INFORMATION CONTACT: Ms. Jennifer Russert, Office of Defects Investigation (ODI), NHTSA, 400 Seventh Street SW., Washington, DC 20590. Telephone: (202) 366–1869.

SUPPLEMENTARY INFORMATION: On September 18, 2000, Mr. Avery B. Goodman submitted a petition requesting NHTSA to open an investigation into an alleged defect in MY 1994–1998 Saab 900S vehicles. In April 1997, Saab Automotive AB (Saab) had issued Customer Satisfaction Campaign 10445, which referred to the replacement of the water pumps in MY 1994–1996 Saab 900 vehicles with four-cylinder engines. Saab stated that load variations in the belt circuit could cause the water pump pulley to crack at the hub center, subsequently causing the drive belt to jump off the pulley. In the event of a failure, there would be a loss of belt tension, causing loss of power steering, as well as other belt driven functions. The petitioner alleged a safety-related defect in his MY 1994 Saab 900, stating that the water pump pulley broke off at the weld to the pulley shaft. The petitioner was concerned that the water pump pulley failure resulted in the loss of power steering, air conditioning, and engine cooling systems.

The MY 1994 Saab 900 was a new vehicle design (with the exception of the convertible, which carried over the previous generation design until the 1995 model year). Engine positioning was changed, and a new accessory drive design was implemented. The new drive design featured a water pump with the drive belt pulley welded onto the pump shaft. In December 1994, Saab became aware of problems with cracking of the water pump pulley and subsequent loss of drive power to the air conditioning compressor, alternator, and power steering pump through warranty claim data.

Upon analysis, Saab discovered weld fatigue cracks at the water pump/pulley junction. Saab determined that the root cause was the center of the drive belt not being aligned with the center of the water pump pulley attachment. This induced rotational bending of the pulley at the weld joint to the water pump shaft, in line with applied drive belt load. Continual bending as the pulley rotated under normal engine drive conditions subsequently caused fatigue cracks in the weld.

Cracking of the water pump pulley center hub can result in the pulley separating from the water pump shaft, causing the drive belt to jump off of the pulley, and subsequently cause loss of drive belt tension. Loss of belt tension would cause a loss of power drive to the following components: Air conditioning compressor, engine water coolant pump, alternator, and power steering pump

Testing of a bolted pulley demonstrated the added strength of the bolted pulley design and no signs or potential for fatigue cracking. The bolted pulley design was implemented into vehicle production early in MY 1996 and Saab subsequently decided to implement Customer Satisfaction Campaign 10445 worldwide. Under that campaign, dealers were to inspect the water pump belt pulley. If there was no yellow identification mark, indicating that a newly designed water pump had been installed, and the pulley was not attached to the pump by bolts, dealers were to replace the pump.

There have been 4 complaints (including that of the petitioner) to NHTSA of problems with the power steering assist, water pump, water pump pulley, or similar concerns on MY 1994–1996 Saab 900 vehicles. One occurred on a new MY 1995 vehicle, the other three, including the petitioner's, occurred on MY 1994 vehicles in 1999. Saab reported an additional 5 complaints (Saab had a total of 8 complaints, but 3 duplicated ODI complaints) of similar water pump pulley failures on MY 1994–1996 vehicles since the initiation of Campaign 10445. There have been no reports of problems with the power steering assist, water pump, water pump pulley, or similar concerns on MY 1996, 1997 and 1998 Saab 900 vehicles.

If the pulley fails, engine cooling, power steering assist, generator charging ability, and the air conditioning would all fail. The petitioner expressed concern with the loss of power steering and alleged he had difficulty controlling his vehicle on the freeway. Although he did not mention his speed, he said he was slowing and attempting to exit the freeway. In a study conducted by Saab in October 1993, unrelated to this petition, loss of power steering assistance was analyzed to determine what effect it could have on a driver's ability to maintain steering control. Saab concluded that without the variable power assist, subject vehicles could be controlled safely at highway speeds. The agency's experience supports Saab's conclusion that vehicles can be controlled at highway speeds despite a loss of power steering. With a loss of power steering at low speeds, it is still possible to complete a turn or a parking maneuver, although it typically takes more effort on the part of the driver to turn the steering wheel. While slowly