permitted use of telephones on the trading floor. Accordingly, Market Makers are required to answer 100 questions and Floor Brokers are required to answer 121 questions.

The questions in both exams are equally weighted. All of the questions in the exams are multiple choice, true/false or fill in the blank. Applicants for the Market Maker examination will be given three hours to complete the examination. Applicants for the Floor Broker examination will be given three and one half hours to complete the examination. The Exchange believes that the new examinations cover a wide range of relevant topics in detail, so that the examination requirement will help to ensure that only those candidates with a comprehensive knowledge of the specific rules of the Exchange, as well as an understanding of relevant provisions of the Act, will be eligible for floor membership.

2. Statutory Basis

The Exchange believes the proposal is consistent with the requirements of section 6(b) of the Act,[8] in general, and furthers the objectives of section 6(b)(5),[9] in particular, in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, protect investors and the public interest. The Exchange also believes that the proposal is consistent with sections 6(C)(1)(A) and (B) of the Act, which permit the Exchange to condition or deny membership status to persons who do not meet such standards of training experience or competence as prescribed by Exchange rules.

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 on the proposed rule change were neither solicited nor received.

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

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interests;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to section 19(b)(3)(A) of the Act[10] and Rule 19b–4(f)(6) thereunder.[11] 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 interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

The Exchange has requested that the Commission accelerate the operative date. The Commission finds good cause to designate the proposal to be operative upon filing with the Commission because such designation is consistent with the protection of investors and the public interest. The Exchange has modified its orientation program for new members who intend to take a qualification examination. The orientation is intended to cover all of the general topics that are included in the qualification examinations. The Exchange provides an orientation for new members on the last Wednesday of every month, and members generally are permitted to take the qualification examination on any day following the orientation. Acceleration of the operative date will allow the PCX to immediately implement the new examinations, thereby requiring new PCX members to be qualified based upon higher standards than those standards applied using the former examination and orientation. Higher standards are consistent with the protection of investors and the public interest. For these reasons, the Commission finds good cause to designate that the proposal is both effective and operative upon filing with the Commission.[12]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal 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 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 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 PCX. All submissions should refer to file number SR–PCX–2001–29 and should be submitted by September 11, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

Jonathan G. Katz,

Secretary.

[FR Doc. 01–20980 Filed 8–20–01; 8:45 am]

BILLING CODE 8010–01–M

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

[9] 15 U.S.C. 78f(b)(5).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6).

[12] For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[13] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation

Federal Aviation Administration

[Docket No. OST–2001–9849]

Notice of Market-based Actions to Relieve Airport Congestion and Delay

AGENCY: Department of Transportation (DOT), Federal Aviation Administration (FAA).

ACTION: Request for public comment on possible market-based actions to relieve airport congestion and delay.

SUMMARY: The Department of Transportation (DOT) is gathering information on the possible role, feasibility, and effectiveness of using market-based approaches to relieve airline flight delays and congestion at busy airports. It is the Department's intention to use this and other requests for comment along with the full array of public policy tools to develop a comprehensive aviation strategy that focuses on ways to reduce delays, improve airport capacity management, enhance competition and promote the efficiency of the overall aviation system. Market-based approaches are broadly defined to include all market-pricing regimes that could encourage air carriers to use limited capacity in a more efficient manner. We intend to meet with representatives from airports, airlines, professional associations, and

other interested participants, to analyze and model available data, to review comments filed in this docket, and to use other means as appropriate to evaluate the possible use of market-based approaches at airports from a public policy perspective. DOT will use the information and data provided by interested parties, as well as our analysis, to develop appropriate policy on issues associated with the design, implementation, and impacts of the possible adoption of various market-based pricing regimes at airports. Parties filing comments are requested to discuss how market-based approaches would affect such public policy objectives as airline competition, general aviation, and small community access to important air travel markets. Delay problems at LaGuardia Airport are the subject of a separate notice and comment procedure.

DATES: Comments should be received by November 19, 2001.

ADDRESSES: Comments should be sent to: Docket Clerk, Docket No. OST–2001–9849, Room PL–401, United States Department of Transportation, 400 7th Street, SW., Washington, DC, 20590. Comments may also be sent electronically to the following Internet address: DMS.dot.gov. Comments may be filed and/or examined in Room Plaza 401 between 10:00 a.m. and 5:00 p.m. weekdays except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Larry Phillips, Senior Economic Policy Advisor, 202–366–4868 or Nancy Kessler, Senior Attorney-Advisor, 202–366–9301. Comments placed in the docket will be available for viewing on the Internet.

SUPPLEMENTARY INFORMATION: Air traffic and airport delays impose substantial costs on air carriers, airports, and the traveling public. Nevertheless, despite the actions taken by airports to operate more efficiently, by airline managers to adjust their flight schedules in the face of growing delay, and by the Federal Aviation Administration (FAA) to introduce new technologies and streamline air traffic control procedures and processes, the number of flight delays reached unprecedented levels in 2000. Indeed, airline delays reported by the FAA in 2000 were 20 percent higher than they were in 1999, and substantially higher than they were during the previous record year (1990). While of varying significance, severe weather, air traffic volume and scheduling, air traffic equipment problems and runway construction (primarily runway and taxiway construction and repair work) all directly impact delay.

While efforts are underway to increase air traffic and airport capacity, it is conceivable, even likely, that delays will increase at some airports especially those that lack space to expand runways and terminals or where environmental concerns limit or foreclose capacity expansion.

Many airports already are experiencing unprecedented levels of flight delays. Last year, for example, almost 16 percent of flight operations (takeoffs and landings) at New York La Guardia Airport were delayed. At Newark International, the second most congested airport based on delayed flight statistics, over eight percent of all flights were delayed. While the magnitude of the delay problem is obvious in the Northeast, especially in Metropolitan New York City, and while delays recently have improved overall, delays remain a significant factor impacting operations at other busy airports. Delays can be worse when flights are ''bunched'' during certain times of the day rather than being spaced more evenly throughout the day. Today, airports do not set landing, takeoff, or terminal fees based on the time of day or the impact of an additional flight on congestion and delay.

Given the magnitude of the flight delay problem, DOT intends to explore all reasonable options, including the full range of market-based approaches and incentives/disincentives to allocate scarce airport capacity, that have the potential to bring into balance current supply (airport capacity) and demand (number of flight operations) while longer-term capacity expansion is pursued.

By the term ''market-based approaches'' we mean the development and imposition of airport fees that are designed specifically to encourage air carriers to use limited airport capacity in a more efficient manner. Such market-based approaches could include auctions (various forms), which would allocate a fixed number of operations for some particular period of time; congestion pricing, which contemplates charging air carriers not only for the costs they impose on an airport but also the delay costs they impose on other airport users;[1] peak-period pricing, which contemplates imposing fees based on the higher costs an airport incurs to accommodate demand during peak hours or the cost an airport does not incur because flights are shifted from busy periods of the day to less busy periods; and ''flat fees,'' which would restructure existing weight-based landing fees so that total airfield costs are recovered through a higher average fee, thereby affecting the mix of aircraft that operate at an airport.

The adoption of market-based approaches to improve the use of scarce resources is an established economic principle. Market-based approaches have been adopted in other industries to achieve a better balance between supply and demand—that is, the facility/service is used more than it otherwise would during off-peak periods and less than it otherwise would during peak periods. Peak-period surcharges and off-peak discounts might provide economic incentives to induce those air carriers that place a lower value on access to an airport facility/service during peak hours to shift to non-peak periods or to use less congested facilities or alternate services.

The adoption of market-based approaches may also be influenced by or possibly influence the current economic/competitive structure of the airline industry as well as existing regulatory imposed limitations on airports such as the High Density Rule. Comments are requested on how market-based approaches might be structured to achieve equitable airport access for all competing airlines.

Market-based approaches conceivably could reduce the need for airport proprietors to make investments to accommodate flights that, if assessed an appropriate market fee, would be uneconomic to operate during peak periods. By their willingness to pay higher peak-period fees, airport users would have demonstrated the value of capacity-enhancing investments and airport proprietors would know that such investments are economically justified.

Certain types of market-based fees could result in airports receiving revenues in excess of their operating and capital costs. DOT is interested in comments on whether such ''surplus revenues,'' if any, should be used to encourage capacity enhancement either at the capacity-constrained airport, at another airport that is part of a proprietor's system, or elsewhere in the aviation system. We request comment on these and other issues, including options for the use of these revenues if a proprietor cannot expand capacity. Comments are also requested on

[1] An airline's scheduling decisions are based in large part on the direct costs it expects to incur at an airport, not the costs its actions impose on competitors or competitors' customers, including the value of lost time for travelers who experience flight delays. As a result, the benefits an air carrier receives from scheduling an additional flight are not balanced against the full costs (private and external) imposed on all the parties using an airport, which can result in too many scheduled flights and thus congestion.

whether the imposition of market-based fees would reduce total air travel costs by reducing delay (and the time costs imposed on travelers) and/or by allowing aircraft operators to better schedule their flights and to use their equipment and personnel more efficiently, as well as the expected effects on airline competition, airfares, and the resulting impact on the supply and demand for air transport services.

In sum, market-based landing and take-off fees at congested airports could result in (1) more efficient use of airport facilities, (2) the recovery of costs from those parties that impose them on other airport users, (3) maximum customer access given limited capacity, and (4) a clear market-based justification for future airport investment decisions. Economists and transportation analysts have often called for the adoption of market-based approaches to allocate scarce air space and airport facilities more efficiently.[2]

Adopting airport market-based pricing policies that would allocate scarce airport facilities more efficiently—that is, to those air carriers that value use of the facility most highly at a specific time—could disrupt established airport and airline business practices. Moreover, using a market-based fee methodology to manage airport congestion and delays raises complex statutory, regulatory, and policy issues as well as difficult issues with respect to our international aviation obligations. Federal laws, regulations, and U.S. international obligations presently in place may restrict the types of alternate fee structures that airports may adopt, especially if higher/lower fees deviate significantly from traditional cost accounting and cost-allocation methodologies. Further, requirements that grant-funded airports be available for public use on fair and reasonable terms and without unjust discrimination could continue to make it difficult for airports to design workable market-based pricing regimes.

We mention these legal issues and factors as background and, for purposes of this notice, request that commenters set aside consideration of the current statutory, regulatory, or international authorities. We are seeking all suggestions on effective, comprehensive market-based solutions to controlling airport congestion even if some may fall outside the current legal framework. While we will consider pertinent legal issues in any policy options ultimately put forward for adoption, perceived legal impediments should not unduly limit comments in response to this request. Accordingly, we will defer consideration of current legal factors.

The purpose of this request for comment is to solicit the views of interested parties on whether there is an appropriate role for and on the potential effectiveness of market-based approaches for reducing flight delays and congestion. While we have identified a number of specific questions that we would like parties to address, we encourage respondents to identify and comment on other issues that they believe are relevant. For example, those commenters who believe that the adoption of one or more remedial administrative actions (e.g., a lottery) would allocate airport capacity in a more efficient and equitable manner than would the imposition of market-based approaches, are requested to identify and discuss administrative actions that could be considered and under what conditions, how they differ from market-based approaches, why they are better suited to address congestion than market-based approaches, and what would be the effect of such actions on air carriers and airport operations, general aviation, air traffic congestion, and airline competition.

Just as the nature and magnitude of the delay problem varies by airport, so do the abilities of airports to address congestion. There is ''no-one-size-fits-all'' solution to the airport congestion problem. For this reason, DOT is interested in understanding how market-based approaches, as well as administrative actions, could work today to relieve congestion at busy airports, including their design, implementation, and impacts.

Specific Questions for Comment

The following questions are illustrative of the types of considerations the Department is seeking to evaluate. We request comments, information, and/or data that would help answer the following questions, or related questions identified by respondents. Respondents need not address all questions and may combine responses to selected questions where appropriate:

(1) Should market-based mechanisms be considered to address the allocation of scarce aviation-access resources and thereby minimize delays resulting from congestion while maximizing customer service? If so, which specific mechanisms are most promising? Why?

(2) How should policymakers decide which airports might benefit from imposition of market-based approaches, such as congestion pricing or auctioning of landing and take-off rights for allocating airport capacity? What specific variables are relevant when making such decisions, e.g., available capacity, current flight volume, runway expansion initiatives, etc.?

(3) Will market-based pricing policies at airports help alleviate delay and congestion? Will they increase customer access to the airport or other nearby airports? If so, how?

(4) Will market-based approaches provide information on where, how much, and what type of new airport capacity is needed?

(5) Will market-based approaches for airport access improve the use of less-congested secondary airports? Are additional financial incentives and/or infrastructure investments needed to increase the use of secondary airports? Please comment on incentives that use revenues from a congested airport to steer users to secondary airports. Will greater use of secondary airports have a positive or negative impact on airline competition? Should airports in the same region that are not under the same ownership have the ability to promote the use of underused airports?

(6) If market-based approaches are not revenue neutral, how should ''surplus'' revenues be used? Should these revenues only be used to expand capacity at the airport where they are generated? Or should such revenues be used to meet regional or national capacity needs? If so, how?

(7) In what ways would the adoption of market-based approaches at airports affect new entry, airfares, air carrier competition, service to small communities, general aviation, and international air services? Could any adverse effects of market-based approaches be mitigated if used in conjunction with exemptions/differential pricing categories for new entrants, service to small communities, general aviation, and international air service?

(8) Would it be appropriate to extend certain aspects of market-based approaches solely to domestic operations or otherwise limit the applicability to international operations of market-based alternatives? What lessons can be learned from attempts by other countries to impose market-based pricing at their congested airports?

(9) What lessons can be learned from the use of peak- and off-peak pricing policies in other domestic industries (e.g., telecommunications, electric utility)?

(10) What will be the economic effects of market-based approaches on various

[2] For example, Transportation Research Board Special Report 255, Entry and Competition in the U.S. Airline Industry: Issues and Opportunities, 1999, pp. 130–131.

categories of airport users? The airport? The economy of the surrounding communities?

(11) Will hub operations by large network air carriers be affected if market-based approaches are adopted? If so, how?

(12) What benefits and/or cost savings can be achieved by airlines if airports adopt market-based approaches? What costs will airports save if such policies are adopted? What new costs will be imposed and/or travel options reduced?

(13) Should the elimination of all delays at an airport be the objective of any market-based policy adopted? If so, will that result in less than optimum use of scarce capacity? If not, how much delay is appropriate?

(14) How would any market-based approach take into account certain random factors (weather, runway repairs, etc.) that affect airport efficiency and delay?

(15) How would an airport calculate such market-based approaches as peak- and off-peak period fees or congestion pricing? (e.g., solely the congestion-related costs an airport incurs? The cost an airport forgoes from not having to build capacity to meet peak demand? The costs congestion imposes on all airport users, including air travelers? Some combination?)

(16) Under what conditions would alternate approaches, such as administrative options (e.g., lotteries, minimum aircraft size), reduce congestion and delay?

(17) In order to reduce delays to ''acceptable'' levels, how much would user charges have to be increased to shift or reduce demand?

(18) Will market-based approaches encourage/discourage the operation of certain types of aircraft?

(19) How should market-based approaches be designed to accommodate unexpected demand shifts?

(20) What data inputs/methodology will be needed to develop and sustain market-based approaches?

(21) Should market-based approaches be crafted to encourage airlines to operate large aircraft, maximizing the number of seats per turn?

(22) Should the use of market-based approaches be linked to airports and airlines vigorously pursuing ways to expand airport capacity?

Issued in Washington, DC, on August 15, 2001.

Susan McDermott,

Deputy Assistant Secretary for Aviation and International Affairs, Department of Transportation

Louise Maillett,

Acting Assistant Administrator for Policy, Planning, and International Aviation, Federal Aviation Administration.

[FR Doc. 01–20998 Filed 8–20–01; 8:45 am]

BILLING CODE 4910–62–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Termination of Operating Authority of Certain Foreign Air Carriers

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Order to Show Cause, Docket OST–2001–10416, Order 2001–8–15.

SUMMARY: The Department is inviting comments on its tentative decision to terminate foreign air carrier permit and exemption authority held by eleven foreign air carriers. These foreign air carriers have failed to file revised family assistance plans with the Department and the National Transportation Safety Board, as required by the Foreign Air Carrier Family Support Act of 1997 (Act), 49 U.S.C. 41313, as amended by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR–21) (P.L. 106–181; 114 Stat. 61; April 5, 2000). AIR–21 amended 49 U.S.C. 41313 to require, among other things, that foreign air carriers submit to the Department and the National Transportation Safety Board, by October 2, 2000, additional assurances for their respective plans to address the needs of families of passengers involved in aircraft accidents. Since the passing of the October 2, 2000 deadline, the Department has taken repeated measures to notify foreign carriers of their need to file revised plans, and to offer assistance to the affected carriers. Of the 231 foreign air carriers required to file revised plans, 220 have done so. The Department tentatively believes that the continued failure of the remaining eleven to file constitutes grounds for termination of those carriers' authority to serve the United States. Significantly, it is our understanding that all of the nonfiling foreign air carriers are either no longer in business, or no longer conduct any U.S. operations. The eleven foreign air carriers whose authority the Department proposes to terminate are: Aeronautica de Cancun, S.A.; AeroPeru; Air Alliance, Inc.; Empresa Ecuatoriana de Aviacion; Inter-Canadien (1991)/Inter-Canadian (1991); Lineas Aereas Mayas, S.A.; Pacific International Airlines, S.A.; Seagreen Air Transport Limited; Sobelair N.V./S.A.; Sociedad Ecuatoriana de Transportes Aereos, S.A.; and Transportes Aereos Ejecutivos, S.A. de C.V.

DATES: Objections to the issuance of a final order in this proceeding are due September 5, 2001. If objections are filed, answers to objections are due September 12, 2001. Persons filing pleadings should contact the Department's Foreign Air Carrier Licensing Division at the telephone number listed below for a list of persons to be served with objections and answers to objections.

ADDRESS: All documents in this proceeding, with appropriate filing copies, should be filed in Docket OST–2001–10416, addressed to Central Docket Management Facility, U.S. Department of Transportation, Room PL401, 400 Seventh Street, SW., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: George Wellington, Foreign Air Carrier Licensing Division, U.S. Department of Transportation, Room 6412, 400 Seventh Street, SW., Washington, DC 20590. Telephone (202) 366–2391.

Dated: August 15, 2001.

Susan McDermott,

Deputy Assistant Secretary for Aviation and International Affairs.

[FR Doc. 01–21001 Filed 8–20–01; 8:45 am]

BILLING CODE 4910–62–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent to Request Review and Approval From the Office of Management and Budget (OMB) of a Proposed Public Collection of Information

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this notice announces that the FAA is planning to submit a proposed information collection request to the Office of Management and Budget (OMB) for review and approval. Through this notice, the FAA is soliciting comment on the proposed initial information request for application and subsequent reports (i.e. semi-annual facility performance statistics, archived data and user