

Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. All statements received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

**FOR FURTHER INFORMATION CONTACT:**

James L. Kroeker, Deputy Chief Accountant, or Shelly C. Luisi, Senior Associate Chief Accountant, at (202) 551-5300, Office of the Chief Accountant, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-6561.

**SUPPLEMENTARY INFORMATION:** In accordance with section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 1, § 10(a), James L. Kroeker, Designated Federal Officer of the Committee, has approved publication of this notice.

Dated: June 19, 2008.

**Florence E. Harmon,**

*Acting Committee Management Officer.*

[FR Doc. E8-14217 Filed 6-23-08; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57981; File No. SR-NASDAQ-2008-037]

### Self-Regulatory Organizations; The NASDAQ Stock Market, LLC; Order Approving Proposed Rule Change To Modify Certain of Nasdaq's Initial and Continued Listing Requirements To Replace the Round Lot Requirement in the Minimum Holder Requirements to Either Total or Public Shareholders

June 17, 2008.

#### I. Introduction

On April 25, 2008, The NASDAQ Stock Market, LLC ("Exchange" or "Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to change the shareholder minimum holder requirements for Nasdaq's continued listing standards. The proposed rule change was published in the **Federal Register** on May 13, 2008.<sup>3</sup> The Commission received no comments on

the proposal. This order approves the proposed rule change.

#### II. Description of the Proposal

Nasdaq initial and continued listing standards require a Nasdaq-listed company to meet and maintain, among other things, certain minimum number of round lot holders to demonstrate the security's liquidity. Nasdaq proposes to generally eliminate the requirement of round lot holders and replace it with different requirements, and to adopt new definitions with respect to these proposed changes.

*A. Nasdaq Global Select Market and Nasdaq Global Market Continued Listing Standards—(1) First Class of Common Stock, Shares or Certificates of Beneficial Interest of Trusts, Limited Partnership Interests in Foreign or Domestic Issues and American Depositary Receipts and (2) Preferred Stock and Secondary Classes of Common Stock*

The current minimum requirement for continued listing under the Nasdaq Global Select Market and Nasdaq Global Market is 400 round lot shareholders for common stock and equivalent<sup>4</sup> and 100 round lot shareholders for preferred stock and secondary classes of common stock.<sup>5</sup> Nasdaq proposes to change these requirements to 400 "total" shareholders for common stock and equivalent<sup>6</sup> and 100 "public" shareholders for preferred stock and secondary classes of common stock.<sup>7</sup>

*B. Nasdaq Global Select Market Initial Listing Standards*

The current minimum requirement for initial listing under the Nasdaq Global Select Market is (1) a minimum of 550 beneficial shareholders and average monthly trading volume over the previous 12 months of at least 1,100,000 shares per month; (2) a minimum of 2,200 beneficial shareholders; or (3) a minimum of 450 beneficial round lot shareholders.<sup>8</sup> Nasdaq proposes to change these holder requirements to: (1) A minimum of 550 "total" shareholders and average monthly trading volume over the previous 12 months of at least 1,100,000 shares per month; (2) a minimum of 2,200 "total" shareholders; or (3) a minimum of 450 "round lot" shareholders.<sup>9</sup>

<sup>4</sup> See Nasdaq Rule 4450(a).

<sup>5</sup> See Nasdaq Rule 4450(h).

<sup>6</sup> See proposed Nasdaq Rule 4450(a).

<sup>7</sup> See proposed Nasdaq Rule 4450(h).

<sup>8</sup> See Nasdaq Rule 4426(b)(1).

<sup>9</sup> See proposed Nasdaq Rule 4426(b)(1).

*C. Nasdaq Capital Market Continued Listing Standards—(1) Domestic and Canadian Securities and (2) Non-Canadian Foreign Securities and American Depositary Receipts*

The current minimum requirement for continued listing for domestic and Canadian securities under the Nasdaq Capital Market is 300 round lot holders for common stock and 100 round lot holders for preferred stock and secondary classes of common stock.<sup>10</sup> Nasdaq proposes to change these holder requirements to 300 public holders for common stock and 100 public holders for preferred stock and secondary classes of common stock.<sup>11</sup>

The current minimum requirement for continued listing for non-Canadian foreign securities and American Depositary Receipts under the Nasdaq Capital Market is 300 round lot holders for common stock and 100 round lot holders for preferred stock and secondary classes of common stock.<sup>12</sup> Nasdaq proposes to change these holder requirements to 300 public holders for common stock and 100 public holders for preferred stock and secondary classes of common stock.<sup>13</sup>

*D. Changes to Definitions*

Nasdaq also proposes to add a new definition of "public holders" to include beneficial holders and holders of record and exclude any holder who is, either directly or indirectly, an executive officer, director, or the beneficial holder of more than 10% of the total shares outstanding.<sup>14</sup> In addition, Nasdaq proposes to add a new definition of "total holders" to include beneficial holders and holders of record.<sup>15</sup> Finally, Nasdaq proposes to amend the definition of "round lot holder" to clarify that beneficial holders would be considered in addition to holders of record.<sup>16</sup>

#### III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act and the rules and regulations thereunder. Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the

<sup>10</sup> See Nasdaq Rule 4310(c)(6).

<sup>11</sup> See proposed Nasdaq Rule 4310(c)(6).

<sup>12</sup> See Nasdaq Rule 4320(e)(4).

<sup>13</sup> See proposed Nasdaq Rule 4320(e)(4).

<sup>14</sup> See proposed Nasdaq Rule 4200(a)(32).

<sup>15</sup> See proposed Nasdaq Rule 4200(a)(38).

<sup>16</sup> See proposed Nasdaq Rule 4200(a)(33).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 57795 (May 7, 2008), 73 FR 27590.

Act,<sup>17</sup> which requires that an exchange have rules designed, among other things, 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, to protect investors and the public interest, and to not permit unfair discrimination between customers, issuers, brokers, or dealers.<sup>18</sup>

The development and enforcement of adequate standards governing the initial and continued listing of securities on an exchange is an activity of critical importance to financial markets and the investing public. Listing standards, among other things, serve as a means for an exchange to screen issuers and to provide listed status only to bona fide companies that have or, in the case of an IPO, will have sufficient public float, investor base, and trading interest to provide the depth and liquidity necessary to promote fair and orderly markets. Adequate standards are especially important given the expectations of investors regarding exchange trading and the imprimatur of listing on a particular market. Once a security has been approved for initial listing, maintenance criteria allow an exchange to monitor the status and trading characteristics of that issue to ensure that it continues to meet the exchange's standards for market depth and liquidity so that fair and orderly markets can be maintained.

*A. Nasdaq Global Select Market and Nasdaq Global Market Continued Listing Standards—(1) First Class of Common Stock, Shares or Certificates of Beneficial Interest of Trusts, Limited Partnership Interests in Foreign or Domestic Issues and American Depositary Receipts and (2) Preferred Stock and Secondary Classes of Common Stock*

Nasdaq proposes to change the continued listing standards of the Nasdaq Global Select Market and Nasdaq Global Market shareholder requirements from 400 round lot shareholders to 400 total shareholders, for common stock and equivalent, and from 100 round lot shareholders to 100 public shareholders, for preferred stock and secondary classes of common stock. The Commission believes that the proposal would continue to ensure that securities listed on Nasdaq Global Select and Global Markets would have sufficient liquidity to promote fair and

orderly markets. The Commission notes that other listing markets utilize the concept of total shareholders and public shareholders. For example, the New York Stock Exchange ("NYSE") requires, among other things, 400 total stockholders (record holders and beneficial holders) for continued listing of capital or common stock on NYSE.<sup>19</sup> Further, the American Stock Exchange ("Amex") requires, among other things, 300 public shareholders for continued listing of common stock on its market.<sup>20</sup> Accordingly, the Commission finds the proposal is consistent with the requirements of the Act.

*B. Nasdaq Global Select Market Initial Listing Standards*

Nasdaq proposes to change the initial listing standards of the Nasdaq Global Select Market shareholder requirements from: (1) Minimum of 550 beneficial shareholders and average monthly trading volume over the previous 12 months of at least 1,100,000 shares per month; (2) minimum of 2,200 beneficial shareholders; or (3) minimum of 450 beneficial round lot shareholders, to: (1) Minimum of 550 "total" shareholders and average monthly trading volume over the previous 12 months of at least 1,100,000 shares per month; (2) minimum of 2,200 "total" shareholders; or (3) minimum of 450 "round lot" shareholders.

The Commission believes that the proposal would ensure that securities to be listed on Nasdaq Global Select Market would have sufficient liquidity to promote fair and orderly markets. The Commission notes that other listing markets utilize the concept of total shareholders and "round lot" shareholders and the changes are similar to certain NYSE requirements.<sup>21</sup> Based on the foregoing, the Commission finds the proposal is consistent with the requirements of the Act.

*C. Nasdaq Capital Market Continued Listing Standards—(1) Domestic and Canadian Securities and (2) Non-Canadian Foreign Securities and American Depositary Receipts*

Nasdaq proposes to change the minimum requirement for continued listing for domestic and Canadian

securities under the Nasdaq Capital Market from 300 round lot holders for common stock and 100 round lot holders for preferred stock and secondary classes of common stock, to 300 "public" holders for common stock and 100 "public" holders for preferred stock and secondary classes of common stock. In addition, Nasdaq proposes to change the minimum requirement for continued listing for non-Canadian foreign securities and American Depositary Receipts under the Nasdaq Capital Market from 300 round lot holders for common stock and 100 round lot holders for preferred stock and secondary classes of common stock to 300 "public" holders for common stock and 100 "public" holders for preferred stock and secondary classes of common stock.

The Commission finds the proposed change to the Nasdaq Capital Market common stock shareholder requirement is substantially similar to the Amex continued listing standards. Amex continued listing standards require, among other things, 300 public shareholders for continued listing.<sup>22</sup>

The Commission also finds that the proposed change to the Nasdaq Capital Market preferred stock shareholder requirement is substantially similar to the Nasdaq Global Market preferred stock continued listing standards. Nasdaq Global Market continued listing standards require, among other things, a minimum of 100 round lot shareholders for preferred stock continued listing.<sup>23</sup> While the standards differ, the Commission believes that the proposed 100 public shareholders requirement for preferred stock would continue to ensure, at a minimum, an adequate level of liquidity as the round lot shareholder standard.

*D. Changes to Definitions*

In connection with the proposed changes above, Nasdaq also proposes to add a new definition of "public holders" to include beneficial holders and holders of record and exclude any holder who is, either directly or indirectly, an executive officer, director, or the beneficial holder of more than 10% of the total shares outstanding. In addition, Nasdaq proposes to add a new definition of "total holders" to include beneficial holders and holders of record. Finally, Nasdaq proposes to amend the definition of "round lot holder" to clarify that beneficial holders would be considered in addition to holders of record. As noted earlier, these

<sup>19</sup> See NYSE Listed Company Manual Section 802.01A.

<sup>20</sup> See Amex Company Guide Section 100(b)(i).

<sup>21</sup> See NYSE Listed Company Manual Section 102.01A. NYSE initial listing standards require, among other things: (1) 500 total stockholders and average monthly trading volume of 1,000,000 shares for most recent 12 months; or (2) 2,200 total stockholders and average monthly trading volume of 100,000 shares for most recent 6 months; or (3) 400 round lot holders and 1,100,000 shares of publicly held shares, for initial listing on NYSE.

<sup>22</sup> See Amex Company Guide Section 1003(b)(i)(B).

<sup>23</sup> See Nasdaq Rules 4420(k) and 4450(h).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rules' impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

definitions are used by other exchanges and should help to ensure that Nasdaq's holder requirements will continue to provide an adequate level of liquidity to develop and maintain fair and orderly markets. Accordingly, the Commission finds that the proposed changes are consistent with the requirements of the Act.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>24</sup> that the proposed rule change (SR-NASDAQ-2008-037) is hereby approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority:<sup>25</sup>

**Florence E. Harmon,**

*Acting Secretary.*

[FR Doc. E8-14178 Filed 6-23-08; 8:45 am]

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### TENNESSEE VALLEY AUTHORITY

#### Final Environmental Impact Statement—Rutherford-Williamson-Davidson Power Supply Improvement Project

**AGENCY:** Tennessee Valley Authority (TVA).

**ACTION:** Issuance of Record of Decision.

**SUMMARY:** This notice is provided in accordance with the Council on Environmental Quality's regulations (40 CFR parts 1500 to 1508) and TVA's procedures implementing the National Environmental Policy Act. TVA has decided to implement the preferred alternative identified in its Final Environmental Impact Statement (EIS), Rutherford-Williamson-Davidson Power Supply Improvement Project.

In implementing Alternative 2, TVA has decided to construct and operate the new 500-kV Rutherford Substation, the 27-mile 500-kV transmission line between TVAs 500-kV Maury Substation and the new Rutherford Substation, the new 9-mile 161-kV transmission line between the new Rutherford Substation and Middle Tennessee Electric Membership Corporations (MTEMC) Almaville Substation, and the new 15-mile 161-kV transmission line between the new Rutherford Substation and MTEMCs Christiana Substation.

#### FOR FURTHER INFORMATION CONTACT:

Anita E. Masters, Senior NEPA Specialist, Environmental Stewardship and Policy, Tennessee Valley Authority, 1101 Market Street, LP 5U, Chattanooga,

Tennessee 37402; telephone (423) 751-8697 or e-mail [aemasters@tva.gov](mailto:aemasters@tva.gov).

**SUPPLEMENTARY INFORMATION:** TVA owns and operates a system of transmission lines that move electricity throughout the TVA service area, which comprises most of Tennessee and portions of six adjacent states, and to adjacent utilities. The electrical load growth in Rutherford, Williamson, and Maury Counties, Tennessee, will exceed the capacity of the three 500-kV substations and several of the 161-kV transmission lines serving the area by 2010. Unless action is taken to address this problem, TVAs ability to continue to provide reliable electric service will be degraded and disrupted more frequently and for longer periods. Therefore, TVA needs to increase transmission capacity in this area.

TVA published a Notice of Intent to prepare this EIS in the **Federal Register** on July 1, 2005. A public scoping meeting was held in July 2005 and attended by about 25 people. Written scoping comments were received from two federal agencies, five state agencies, and several individuals. The Notice of Availability of the Draft EIS was published in the **Federal Register** on October 5, 2007. TVA held a public meeting on the Draft EIS in October 2007 and accepted comments through mid-November. During the development of the EIS, TVA also accepted comments received during an open house held in April 2006 to review potential substation sites and transmission line routes. Comments on the Draft EIS were received from about 22 members of the public and agencies. Appendix B of the Final EIS contains comments TVA received on the Draft EIS and responses to those comments. The Notice of Availability for the Final EIS was published in the **Federal Register** on April 18, 2008.

#### Alternatives Considered

TVA uses a detailed, comprehensive siting process when it plans its transmission line projects. This is an iterative process that takes into account important environmental and cultural resource features that become constraints on locating proposed lines. Concerns of potentially affected landowners are also actively addressed during this process to reduce or avoid landowner impacts. Broad study corridors are initially defined and potential line routes are subsequently located within the study corridors. Because transmission line right-of-ways (ROWs) are much narrower than the study corridors, important features that are associated with specific corridors

can often be avoided when final line routes are selected. Potential environmental impacts are considered and addressed throughout this siting process with the objective of formulating alternative line routes, including a preferred route, that meet the purpose and need for the proposed action while avoiding or reducing potential impacts. The identified preferred route is then subjected to additional study and analyses. TVA uses a similar process in identifying substation sites.

TVA initially identified four solutions (possible alternatives) to meet the project need. *These consisted of:* (1) Construct and operate a new 500-kV substation in southwest Rutherford County, and construct and operate 25–30 miles of 500-kV transmission line on vacant, TVA-owned ROW, and about 24 miles of new 161-kV transmission lines in Rutherford, Maury, and Williamson Counties; (2) construct and operate a new 500-kV substation in northeast Williamson County near Brentwood and upgrade about 126 miles of existing 161-kV transmission lines in Davidson, Rutherford, Williamson, Sumner, Coffee, Franklin, and Bedford Counties; (3) expand TVAs Pinhook 500-kV Substation in southeast Davidson County and upgrade about 134 miles of existing 161-kV transmission lines in Davidson, Rutherford, Williamson, Sumner, Wilson, Franklin, and Bedford Counties; and (4) rely on load management and conservation by achieving a reduction in current peak loads by at least 800 megawatts.

Further evaluation of these four potential solutions concluded that only the first would be able to meet the project need. The other two construction solutions had higher overall costs, engineering problems, and problems meeting the 2010 in-service date because of the limited times when the existing transmission lines could be taken out of service for upgrading. Although TVA has recently committed to achieving a system-wide reduction in peak demand growth of 1,400 MW by 2012, the amount of load reduction achievable in the project area by 2010 is not sufficient for the load management/conservation solution to meet the purpose and need.

TVA subsequently addressed two alternatives in further detail in the EIS.

Under Alternative 1, the No Action Alternative, TVA would not address the forecast high-voltage transmission capacity problem by implementing any of the potential solutions identified above. This would make existing electrical supplies unstable and increase likelihood of both planned and

<sup>24</sup> 15 U.S.C. 78s(b)(2).

<sup>25</sup> 17 CFR 200.30-3(a)(12).