

Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2001-109 and should be submitted by March 14, 2002.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-4169 Filed 2-20-02; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45443; File No. SR-Phlx-2001-103]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the Philadelphia Stock Exchange, Inc., to Amend Phlx Rule 229 to Allow Specialists to Establish a Proprietary Specialized Quote Feed Connection to the PACE System

February 14, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4² thereunder, notice is hereby given that on December 21, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On January 16, 2002, the Phlx amended the proposal.³ The Phlx again amended the proposal on February 12, 2002.⁴ The

Phlx filed the proposal pursuant to Section 19(b)(3)(A) of the Act⁵ and Rule 19b-4(f)(5)⁶ thereunder as a proposal effecting a change in an existing order-entry or trading system, rendering the proposal effective upon filing with the Commission. 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 Phlx proposes to amend Phlx Rule 229, Philadelphia Stock Exchange Automated Communication and Execution System (PACE),⁷ by adopting Supplementary Material .22, to provide specialists with the ability to establish a special proprietary connection to the PACE workstation called a Specialized Quote Feed ("SQF"). The proprietary connection, which is voluntary, would provide specialists on the Exchange's Equity Floor with an electronic interface that would allow specialists to price equity securities with their own quoting models. The ability to use the SQF is subject to the Exchange's prior approval. The text of the proposed rule change is below. Additions are in italics.

Rule 229. Philadelphia Stock Exchange Automated Communication and Execution System (PACE)

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.22. In addition to the quoting capability in the Exchange's PACE workstation, a specialist may establish a special connection to price equity securities, which is known as a Specialized Quote Feed.

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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 Phlx included statements concerning the purpose of and 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 Phlx 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 purpose of the proposed rule change is to provide specialists on the Exchange's Equity Floor with the ability to interface with PACE via a proprietary connection (an SQF) that would enable Exchange equity specialists to price equity securities with their own pricing models, subject to the Exchange's prior approval. Such approval would be required by the Exchange's Floor Procedure Committee, which has supervision over all connections or means of communication with the equity trading floor.⁸

The Exchange believes that the proposed rule change should enable Exchange specialists to provide their own stock quotations using their own proprietary systems. The Phlx believes that such proprietary systems should permit equity specialist units to price securities more precisely, and pursuant to their own business models. For instance, some specialist units may consider prices of related futures products when calculating a bid or offer for a security such as an Exchange Traded Fund ("ETF") product.⁹ The Exchange would continue to make available its quotation model on the PACE workstation, which only considers the price of the individual security in its quotation calculation. The Exchange believes that the SQF would make equity quotations disseminated by the Exchange more efficient.

2. Statutory Basis

The Phlx believes the proposed rule change is consistent with Section 6 of the Act¹⁰ in general, and with Section 6(b)(5) of the Act¹¹ specifically, in that it is designed to perfect the mechanisms of a free and open market and the national market system, protect

¹³ 7 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See January 15, 2002 letter from Richard S. Rudolph, Counsel, Phlx, to Joseph P. Morra, Special Counsel, Division of Market Regulation ("Division"), SEC ("Amendment No. 1"). In Amendment No. 1, the Phlx clarified the rationale behind offering specialists a voluntary alternative interface with the Philadelphia Stock Exchange Automated Communication and Execution System (PACE) that would allow them to deploy their own pricing models as an alternative to the PACE model.

⁴ See February 11, 2002 letter from Richard S. Rudolph, Counsel, Phlx, to Nancy Sanow, Assistant Director, Division, SEC ("Amendment No. 2"). In Amendment No. 2, the Phlx deleted the phrase "subject to Exchange approval" from the proposed rule text, and clarified that the requirement of the Floor Procedure Committee approval set forth in Phlx Rule 444, Wire Connections Between Exchange and Members' Offices, applies to Specialized Quote Feed users on the Phlx's Equity Trading Floor. For purposes of calculating the 60-day abrogation period, the Commission considers the 60-day abrogation period to have commenced on February 12, 2002, the date on which the Phlx filed Amendment No. 2.

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(5).

⁷ PACE is the Exchange's automated order routing, delivery, execution and reporting system for the equity trading floor. PACE includes a system for the automatic execution of orders on the Exchange equity floor under predetermined conditions. Orders accepted under the system may be executed on a fully automated or manual basis in accordance with the provisions of Exchange Rule 229. Securities admitted to dealings on the equity floor are eligible for trading on the PACE System in which equity specialists and member organizations may choose to participate.

⁸ See Exchange By-Law Article X, Section 10-16.

⁹ The price of an ETF product is based on a number of factors. Although the Exchange offers its specialists a pricing system through PACE, specialists may wish to use their own proprietary pricing models that include their own calculations concerning the variables underlying the pricing of ETFs. For this reason, the Phlx has decided to provide specialists, on a voluntary basis, with an interface with PACE, or an SQF, that would allow them to deploy their own pricing models as an alternative to the PACE model. See Amendment No. 1.

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(5).

investors and the public interest and promote just and equitable principles of trade by providing Exchange equity specialists with an electronic interface that will allow them to provide their own proprietary quotations.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change would impose any inappropriate 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 were either solicited or received.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act,¹² and Rule 19b-4(f)(5)¹³ thereunder, in that it effects a change in an existing order-entry or trading system of a self-regulatory organization that does not: (1) Significantly affect the protection of investors or the public interest, (2) impose any significant burden on competition, or (3) have the effect of limiting the access to or availability of the system.

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.

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 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 filings will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2001-103 and should be submitted by March 14, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-4171 Filed 2-20-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3394]

State of Oklahoma

Amendment #1

In accordance with information received from the Federal Emergency Management Agency, dated February 11, 2002, the above numbered declaration is hereby amended to establish the incident period for this disaster as beginning on January 30, 2002, and continuing through February 11, 2002.

All other information remains the same, i.e., the deadline for filing applications for economic injury is November 1, 2002.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: February 13, 2002.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. 02-4104 Filed 2-20-02; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice No. 3886]

Advisory Committee on Historical Diplomatic Documentation; Notice of Meeting

The Advisory Committee on Historical Diplomatic Documentation will meet in the Department of State, 2201 "C" Street NW, Washington, DC, March 4-5, 2002, in Conference Room 1105. Prior notification and a valid photo are mandatory for entrance into the building. One week before the meeting, members of the public planning to attend must notify Gloria

Walker, Office of the Historian (202-663-1124) to provide relevant dates of birth, Social Security numbers, and telephone numbers.

The Committee will meet in open session from 1:30 p.m. through 3:00 p.m. on Monday, March 4, 2002, to discuss declassification and transfer of Department of State electronic records to the National Archives and Records Administration and the modernization of the *Foreign Relations* series. The remainder of the Committee's sessions from 3:15 p.m. until 4:30 p.m. on Monday, March 4, 2002, and 9:00 a.m. until 1:00 p.m. on Tuesday, March 5, 2002, will be closed in accordance with section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463). The agenda calls for discussions of agency declassification decisions concerning the *Foreign Relations* series. These are matters not subject to public disclosure under 5 U.S.C. 552b(c)(1) and the public interest requires that such activities be withheld from disclosure.

Questions concerning the meeting should be directed to Marc J. Susser, Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, Department of State, Office of the Historian, Washington, DC, 20520, telephone (202) 663-1123, (e-mail: history@state.gov).

Dated: February 11, 2002.

Marc J. Susser,

Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, Department of State.

[FR Doc. 02-4167 Filed 2-20-02; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 3882]

Overseas Security Advisory Council (OSAC); Meeting Notice: Closed Meeting

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on March 5 and 6, in Ponte Vedra Beach, Florida. Pursuant to section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c) [1] and [4], it has been determined the meeting will be closed to the public. Matters relative to classified national security information as well as privileged commercial information will be discussed. The agenda will include updated committee reports, a world threat overview and a round table discussion that calls for the discussion of classified and corporate proprietary/security information as well as private sector physical and

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(5).

¹⁴ 17 CFR 200.30-3(a)(12).