

language to further protect the clearing organizations by making clear that the clearing organizations have a security interest in the Aggregate Net Surplus and that a participant will have a reimbursement obligation in the event that a clearing organization becomes obligated to make a maximization payment. Members that wish to participate in the FICC–TCC cross-margining program will be required to execute the participant agreement to make them subject to the provisions of the FICC–TCC Agreement.

(4) Amendment 1 to the FICC–CME Cross-Margining Agreement

FICC is proposing to amend Appendix A of the cross-margining agreement with the CME to add a reference to the FICC–TCC Agreement. In Appendix A, the parties set forth the other cross-margining or similar arrangements that they have in place and indicate whether such other agreements take priority over the FICC–CME Cross-Margining Agreement. As stated above, no preference is given by FICC to one Participating CO over another.

III. Discussion

Section 17A(b)(3)(F) of the Act requires among other things that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in its custody or control or for which it is responsible.¹⁶ The Commission finds that FICC's proposed rule change is consistent with this requirement because by continuing its cross-margin program to include products cleared by TCC, FICC will provide its members with the benefits of cross-margining, including greater liquidity and more efficient use of collateral, in a manner that is consistent with FICC's overall risk management process.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁷ that the proposed rule change (File No. SR–FICC–2004–16) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. E4–3567 Filed 12–8–04; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–50787; File No. SR–NASD–2004–170]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the National Association of Securities Dealers, Inc. To Establish Combined Nasdaq Market Center and Brut Pricing for Non-NASD Members

December 2, 2004.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on November 2, 2004, the National Association of Securities Dealers, Inc. (“NASD”), through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by Nasdaq. On November 9, 2004, Nasdaq submitted Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons, and at the same time is granting accelerated approval of the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Nasdaq proposes to establish a pricing and rebate schedule for non-NASD members that covers activity both on the Nasdaq Market Center (“NMC”) and Nasdaq's Brut Facility (“Brut”). Nasdaq seeks accelerated approval of the proposal and a retroactive effectiveness date of November 1, 2004. The text of the proposed rule change is available at the Office of the Secretary, Nasdaq, and at the Commission.

¹⁸ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See letter from Edward S. Knight, Executive Vice President and General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, Commission, dated November 9, 2004 (“Amendment No. 1”). Amendment No. 1 made technical corrections to the proposed rule text of the originally filed proposed rule change.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq 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 III below. Nasdaq 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

On November 16, 2004, the Commission published notice of the immediate effectiveness of a proposed rule change submitted by Nasdaq, establishing a new pricing and rebate schedule (effective November 1, 2004) for NASD members for Nasdaq-listed securities that covers activity both on the NMC and Brut.⁴ Nasdaq states that this proposed rule change seeks to impose the same fee and rebate structure on non-NASD members. Nasdaq is seeking accelerated approval of the non-member fee and rebate structure, as well as a retroactive effective date of November 1, 2004. Nasdaq represents that, as set forth in SR–NASD–2004–167, Nasdaq's new fee and rebate structure is based on multiple volume-based usage tiers that take into account the combined NMC and Brut volume of a non-NASD member. Nasdaq states that, like members, a non-NASD member will pay varying fees for having orders routed away from the systems or when accessing liquidity (“take-outs”), based upon the non-NASD member's combined volume activity in the NMC and Brut. Nasdaq also states that, likewise, rebates for non-NASD members providing liquidity will be based on the combined total of liquidity provided to both systems. Nasdaq believes that this pricing structure will encourage activity on both the NMC and Brut and will not provide financial incentives to use one system versus the other. In addition, Nasdaq states that the proposal will ensure that both NASD members and non-NASD members will pay equivalent fees and receive equivalent rebates based on their trading

⁴ See Securities Exchange Act Release No. 50670 (November 16, 2004), 69 FR 67979 (November 22, 2004) (SR–NASD–2004–167).

¹⁶ 15 U.S.C. 78q–1(b)(3)(F).

¹⁷ 15 U.S.C. 78s(b)(2).

activity and that the imposition of those fees will begin on the same November 1, 2004 start date. The combined NMC/

Brut fee structure for Nasdaq-listed securities is provided below:

REBATE SCHEDULE FOR EXECUTIONS IN NASDAQ MARKET CENTER AND BRUT

Average daily shares of liquidity provided on NASDAQ and/or BRUT	Liquidity provider rebate per share executed
Greater than 20 million	\$0.0025
Between 1–20 million	0.0022
Less than or equal to 1 million	0.0020

FEE SCHEDULE FOR TAKE-OUT AND ROUTING

Average daily shares of liquidity provided on NASDAQ and/or BRUT	Fee to take liquidity/Brut routing fee (per share)
Greater than 10 million	\$0.0027
Greater than 500,000 but less than or equal to 10 million	0.0028
Less than or equal to 500,000	0.0030

Nasdaq represents that, as with members, Nasdaq will continue to charge non-NASD members a \$0.001 per share NMC order delivery charge on NMC orders delivered to fee-charging ECNs participating in NMC. Nasdaq states that this charge is currently capped at \$10,000 per month for firms providing more than 500,000 shares per day, on average, over the course of the month. Nasdaq also states that, as noted in SR–NASD–2004–167, in conjunction with the adoption of this pricing structure, Brut ceased charging an access fee on orders delivered to it from the NMC and that Nasdaq ended its practice of not charging a fee when a firm executes against its own quote or order. Nasdaq states that these changes will be applicable to non-NASD members as well.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,⁵ in general and with Section 15A(b)(5) of the Act,⁶ in particular, in that proposed rule change provides for the equitable allocation or reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

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

Nasdaq does not believe that the proposed rule change, as amended, will result in 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

Nasdaq states that written comments were neither solicited nor received.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR–NASD–2004–170 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609.

All submissions should refer to File Number SR–NASD–2004–170. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the NASD. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NASD–2004–170 and should be submitted on or before December 30, 2004.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a self-regulatory organization.⁷ Specifically, the Commission believes the proposed rule change is consistent with Section 15A(b)(5) of the Act,⁸ which requires that the rules of the self-regulatory organization provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any

⁷ The Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78o–3(b)(5).

⁵ 15 U.S.C. 78o–3.

⁶ 15 U.S.C. 78o–3(b)(5).

facilities or system which it operates or controls.

The Commission notes that this proposal, which permits the retroactive application of the pricing and rebate schedule for non-NASD members that covers activity both on the NMC and Brut and is effective as of November 1, 2004, would permit the schedule for non-NASD members to mirror the schedule applicable to NASD members that was effective as of November 1, 2004 pursuant to SR-NASD-2004-167. The Commission believes that the fees are scaled according to objective criteria applied across-the-board to all categories of users, *i.e.*, the pricing and rebate schedule will now apply equally to non-members as well as members, and is based on the volume of business they conduct on the NMS and Brut.

The Commission finds good cause for approving the proposed rule change prior to the 30th day of the date of publication of notice of filing thereof in the **Federal Register**. The Commission notes that the proposed pricing and rebate schedule for non-NASD members are identical to those in SR-NASD-2004-167, which implemented a new pricing and rebate schedule for NASD members and which was immediately effective upon filing. The Commission notes that this change will promote consistency in Nasdaq's fee schedule by applying the same pricing and rebate schedule for both NASD members and non-NASD members. Therefore, the Commission finds that there is good cause, consistent with Section 19(b)(2) of the Act,⁹ to approve the proposed rule change on an accelerated basis.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (File No. SR-NASD-2004-170) be approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E4-3577 Filed 12-8-04; 8:45 am]

BILLING CODE 8010-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #P077]

State of Alaska (Amendment #1)

In accordance with a notice received from the Department of Homeland

Security—Federal Emergency Management Agency, effective November 30, 2004, the above numbered Public Assistance declaration is hereby amended to include the Kashunamiut (Chevak) Regional Educational Attendance Area (REAA), the Lower Kuskokwim REAA, the Lower Yukon REAA, and the Pribilof Island REAA in the State of Alaska as disaster areas due to damages caused by a severe winter storm, tidal surges and flooding occurring on October 18 through 20, 2004. All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is January 14, 2005.

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

Dated: December 2, 2004.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. 04-27086 Filed 12-8-04; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 4921]

Bureau of Educational and Cultural Affairs (ECA) Request for Grant Proposals: Fulbright Senior Scholar Program

Announcement Type: New Cooperative Agreement.

Funding Opportunity Number: ECA/A/E-06-01.

Catalog of Federal Domestic Assistance Number: 19.401.

Key Dates: Application Deadline: February 25, 2005.

Executive Summary: The Office of Academic Programs, Bureau of Educational and Cultural Affairs (ECA), U.S. Department of State announces an open competition for a cooperative agreement to assist in the administration of the worldwide Fulbright Senior Scholar Program. The Fulbright Senior Scholar Program is a major component of the overall Fulbright Program, which also includes the Fulbright Student Program.

For more than 55 years, the Fulbright Senior Scholar Program has offered grants for college and university faculty, as well as for non-academic professionals (such as lawyers and journalists) and independent scholars, to lecture and conduct research abroad. Tens of thousands of U.S. and non-U.S. scholars and professionals have participated in these exchanges since the Fulbright Program's inception in 1946.

The Fulbright Senior Scholar Program will send approximately 1,300 qualified U.S. scholars and professionals abroad to lecture, conduct research, and provide academic consulting at overseas institutions in FY 2006. Conversely, the program will bring approximately 920 visiting (non-U.S.) grantees from over 140 countries to the United States for similar activities.

Responsibility for the management of the Fulbright Senior Scholar Program is shared among the U.S. Department of State in Washington DC, 51 bilateral Fulbright commissions and 99 U.S. embassies overseas, and a private sector, cooperating agency in the United States. Overall policy guidelines for the Fulbright Senior Scholar Program are determined by the Presidentially-appointed J. William Fulbright Foreign Scholarship Board (FSB).

The organization that is awarded the cooperative agreement under this competition will be responsible for recruitment, selection, placement, enhancement activities for grantees, program promotion, and record keeping for both the U.S. and Visiting Fulbright Senior Scholar Programs. This work will be supervised by the Bureau of Educational and Cultural Affairs of the Department of State.

I. Funding Opportunity Description

Authority

Overall grant making authority for this program is contained in the Mutual Educational and Cultural Exchange Act of 1961, Public Law 87-256, as amended, also known as the Fulbright-Hays Act. The purpose of the Act is "to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries* * *; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations* * *and thus to assist in the development of friendly, sympathetic and peaceful relations between the United States and the other countries of the world." The funding authority for the program above is provided through legislation. The Fulbright Program also receives significant annual funding and other support from partner governments and private donors worldwide.

The Bureau of Educational and Cultural Affairs, as sponsor and manager of the Fulbright Senior Scholar Program, plays a significant role in the planning and implementation of all program initiatives, publicity, promotion and enhancement activities,

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).