For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[27]

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 02–12896 Filed 5–22–02; 8:45 am]
BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–45927; File No. SR–Phlx–2001–24]

Self-Regulatory Organizations; Order Granting Approval of a Proposed Rule Change and Amendment No. 4 and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 5 to the Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to the Manual Handling of Certain AUTOM Orders by Specialists

May 15, 2002.

On March 2, 2001, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') a proposed rule change, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] relating to the manual handling of certain Exchange Automated Options Market (''AUTOM'') orders by Exchange specialists.[3] The Phlx filed Amendment

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[27] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The Exchange filed this proposed rule change pursuant to the requirements of Section IV.B.h.(i)(bb) of the Commission's September 11, 2000 Order Instituting Public Administrative Proceedings Pursuant to Section 19(h)(1) of the Act, which required the Phlx (as well as the other floor-based options exchanges) to adopt new, or amend existing rules concerning automatic quotation and execution systems which specify the circumstances, if any, by which automated execution systems would be disengaged or operated in any manner other than the normal manner set forth in the exchange's rules; and, requires the documentation of the reasons for each decision to disengage an automatic execution system or operate it in any manner other than the normal manner. *See* Securities Exchange Act Release No. 43268 (September 11, 2000), Administrative Proceeding File No. 3–10282.

Nos. 1,[4] 2,[5] 3,[6] and 4[7] to the proposed rule change, respectively. The proposed rule change, as amended, was published for public comment in the **Federal Register** on February 20, 2002.[8] The Commission received no comments on the proposal. On May 15, 2002, the Phlx filed Amendment No. 5 to the proposed rule change.[9] This order approves the proposed rule change, as amended.

I. Description of the Proposal

The Phlx proposes to adopt Phlx Rule 1080(c)(iv) to codify that an options order otherwise eligible for the Exchange's Automated Execution System (''AUTO–X'') will instead be manually handled by the specialist in

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[4] *See* Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division of Market Regulation (''Division''), Commission, dated April 12, 2001 (''Amendment No. 1''). Amendment No. 1 designates the proposed rule change as filed pursuant Section 19(b)(2) of the Act, and the Exchange requests that the proposed rule change is given accelerated effectiveness. 15 U.S.C. 78s(b)(2).

[5] *See* Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated July 2, 2001 (''Amendment No. 2''). Amendment No. 2 corrects technical errors to the proposed rule text.

[6] *See* Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated August 7, 2001 (''Amendment No. 3''). Amendment No. 3 updates the proposed rule text that refers to a pilot program that permits the Exchange to automatically execute option contracts within a 15 second period. In addition, Amendment No. 3 corrects technical errors to the proposed rule text.

[7] *See* Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated December 10, 2001 (''Amendment No. 4''). Amendment No. 4 replaces the original filing in its entirety and modifies earlier revisions by: (1) Clarifying the calculation of a zero bid by the Exchange's Autoquote System; (2) clarifying the Exchange's audit trail and other documentation in cases which AUTO–X is disengaged; (3) clarifying the authority of the Exchange's Options Committee to restrict the use of AUTO–X on the Exchange; and (4) updating the proposed rule text that refers to the pilot program that permits the Exchange to automatically execute option contracts within a 15 second period.

[8] *See* Securities Exchange Act Release No. 45436 (February 12, 2002), 67 FR 7728.

[9] *See* Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated May 14, 2002 (''Amendment No. 5''). Amendment No. 5: (1) Deletes references in the purpose section of the proposed rule change regarding the AUTO–X Disengagement Log, which does not apply to the nine codified circumstances under which an incoming order would be manually handled by an Exchange specialist; (2) amends proposed rule text to provide that any restriction by the Options Committee on the use of Auto-X will be clearly communicated to its membership and users of the Exchange's Automated Options Market (''AUTOM'') via an electronic message and an information circular; and (3) amends the proposed rule text to provide that, to the extent one of the nine codified circumstances under proposed Phlx Rule 1080(c)(iv) occur, the Exchange's AUTO–X system has the ability to identify inbound orders that are not eligible for automatic execution.

certain circumstances. The Exchange also proposes to cross-reference Phlx Rule 1080(c)(i), ''AUTO–X on the NBBO (NBBO Feature),'' in cases in which AUTO–X will not execute at the Exchange's disseminated quotation.

Currently, Phlx Rule 1080 governs the operation of AUTOM and AUTO–X. AUTO–X is addressed primarily in Phlx Rule 1080(c), which provides that only certain order types are eligible for AUTO–X. Phlx Rule 1080(c) also provides that AUTO–X is a feature of AUTOM that automatically executes public customer market and marketable limit orders up to the number of contracts permitted by the Exchange for certain strike prices and expiration months in equity options and index options, unless the Options Committee determines otherwise.

According to the Phlx, AUTO–X automatically executes eligible orders using the Exchange disseminated quotation and then automatically routes execution reports to the originating member organization. In all other circumstances, AUTOM orders that are not eligible for AUTO–X would be executed manually in accordance with Exchange rules. Phlx Rule 1080 currently enumerates some of the situations where an order may not be automatically executed.

The Phlx proposes to codify nine additional situations in which an otherwise AUTO–X eligible order would not automatically execute. The first case is when the Exchange's disseminated market crosses or locks the disseminated market of another options exchange. Second, stop, stop limit, market on closing, market on opening, and all-or-none orders do not automatically execute because these orders consist of contingencies, such as price, time, or size that the AUTOM system cannot address. Third, pre-market orders received when the AUTOM system is not open for trading are not eligible for automatic execution. Fourth, when the disseminated market is produced during an opening or other rotation, incoming orders will not automatically execute.[10] Fifth, when the specialist posts a bid or offer that is better than the specialist's own bid or offer, incoming orders will not automatically execute.[11] Sixth, because certain options are subject to the NBBO Feature, as described in Phlx Rule 1080(c)(i), when the NBBO Feature is

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[10] The Phlx notes that AUTO–X is engaged promptly after an option's opening, once there is an established price against which an automatic execution can occur.

[11] According to the Phlx, the bid or offer could represent a customer order or a price-improving bid or offer by a Registered Options Trader (''ROT'').

not engaged and the Exchange's bid or offer is not the NBBO, incoming AUTOM orders will not automatically execute.[12] Seventh, when the price of a limit order is not in the appropriate minimum trading increment pursuant to Phlx Rule 1034, the order will not automatically execute. Eighth, an incoming AUTOM sell order would not automatically execute if the bid price for a particular option series is zero.[13] Lastly, the Phlx represents that certain options are subject to a pilot program which provides that when the number of contracts automatically executed within a 15 second period exceeds the AUTO–X guarantee, a 30 second period ensues during which subsequent orders are handled manually.[14]

In any of these situations, the Phlx would disseminate a message to its quotation vendors that indicates to users on a series-by-series basis, whether or not such series is AUTO–X eligible. In addition to the nine aforementioned situations in which an order may not automatically execute, Phlx Rule 1080 provides that the Options Committee may for any period restrict the use of AUTO–X on the Exchange in any option or series.[15] The Phlx proposes that any restriction on the use of AUTO–X on the Exchange in any option or series approved by the Options Committee would be clearly communicated to its membership and AUTOM users through an electronic message via AUTOM, and through an Exchange information

circular. The Phlx also proposes that such restriction would not take effect until after such communication has been made.

Because in the nine proposed circumstances that an Exchange specialist would manually execute an incoming AUTOM order, the AUTO–X system will not be disengaged,[16] in Amendment No. 5,[17] the Phlx proposes to delete references to the AUTO–X disengagement log, which records every situation in which AUTO–X is disengaged. Instead, the Exchange's systems would be able to determine that the otherwise AUTO–X eligible order cannot automatically execute because of the existence of one of the nine aforementioned circumstances. As a result, an Exchange specialist would manually execute the order. Further, Amendment No. 5 clarifies in the proposed rule text that the Options Committee will clearly communicate to its membership and AUTOM users through an electronic message via AUTOM and an Exchange information circular, any restrictions to the use of AUTO–X in any option or series approved by the Options Committee. Amendment No. 5 also clarifies in the proposed rule text that, to the extent one of the nine codified circumstances under proposed Phlx Rule 1080(c)(iv) occurs, the Exchange's systems are able to identify inbound orders that were not eligible for automatic execution.

II. Discussion

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 national securities exchange.[18] In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,[19] which requires, among other things, that the rules of the Exchange be designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade.

The Commission finds that the proposal is consistent with the Act because, by codifying the situations in which an otherwise eligible AUTO–X order is handled manually by the specialist, it enhances the transparency

of the operation of the Phlx market, to the benefit of all market participants, including investors.

Specifically, the Phlx codifies nine particular instances in which Exchange specialists would handle incoming AUTOM orders manually. The Exchange disseminates a message to its quotation vendors that indicates to a user on a series-by-series basis, whether or not such series is AUTO–X eligible. The Phlx rules also provide for the Options Committee to restrict for any period the use of AUTO–X on the Exchange in any option or series. The Commission notes that any restriction on the use of AUTO–X in any option or series approved by the Options Committee will be clearly communicated to its membership and AUTOM users through an electronic message via AUTOM, and through an Exchange information circular. Such restriction would not take effect until after such communication has been made. The Commission believes that this provision should provide Phlx members and AUTOM users with adequate notice of any changes to the availability of AUTO–X in any option or series. The Commission also notes that Exchange systems dictate, and Exchange specialists do not have discretion over, which otherwise AUTO–X eligible orders are manually handled. The Commission finds good cause for approving Amendment No. 5 of the proposed rule change prior to the thirtieth day after notice of the publication in the **Federal Register**. In addition to deleting inapplicable language regarding the AUTO–X disengagement log, an internal electronic audit trail system that records every situation in which AUTO–X is disengaged, Amendment No. 5 clarifies the proposed rule text in response to concerns of Commission staff. The Commission believes Amendment No. 5 is consistent with Section 6(b)(5) of the Act,[20] and therefore the approval of Amendment No. 5 on an accelerated basis is appropriate.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 5, including whether the proposed amendment 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

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[12] The Phlx represents that certain options are subject to the NBBO Feature, which automatically executes eligible orders at the National Best Bid or Offer (''NBBO'') provided that the NBBO does not differ from the specialist's best bid or offer by more than the ''step-up parameter,'' which is determined by the Options Committee. *See* Phlx Rule 1080(c)(i). According to the Phlx, participation on an option-by-option basis in the NBBO Feature is voluntary. If the specialist elects not to engage the NBBO Feature, or disengages it pursuant to the Exchange rule, and the Exchange's disseminated bid or offer is inferior to the NBBO, an incoming AUTOM order would not automatically execute. Thus, to prevent AUTO–X from creating a trade-through, such an order would be handled manually.

[13] According to the Phlx, a ''zero'' bid price is typically calculated by Auto-Quote, the Exchange's automatic pricing system, when an option that is well out-of-the-money approaches expiration, and thus has neither intrinsic value nor time value. In such circumstance, as stated above, an incoming order to sell would not be AUTO–X eligible, since an automatic execution is not possible at a ''zero'' bid.

[14] *See* Securities Exchange Act Release No. 45862 (May 1, 2002), 67 FR 30990 (May 8, 2002) (SR–Phlx–2002–22).

[15] *See* Phlx Rule 1080(c). The Commission has also approved Phlx's proposal to provide in Phlx Rule 1080(c) that the effectiveness of restrictions to the use of AUTO–X shall be conditioned upon its having been approved by the Commission pursuant to Section 19(b) of the Act and the rules and regulations thereunder. *See* Securities Exchange Act Release No. 45928 (May 15, 2002) (SR–Phlx–2001–27).

[16] Telephone conversation among Richard S. Rudolph, Counsel, Phlx, and Deborah Lassman Flynn, Assistant Director, and Lisa Jones, Attorney, Division, Commission (May 8, 2002).

[17] *See* note 8, *supra.*

[18] In approving this proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

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

with respect to the proposed amendment that are filed with the Commission, and all written communications relating to the amendment 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR–Phlx–2001–24 and should be submitted by June 13, 2002.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[21] that the proposed rule change (SR–Phlx–2001–24), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to the delegated authority.[22]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–12898 Filed 5–22–02; 8:45 am]

BILLING CODE 8010–01–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

ACTION: Notice of reporting requirements submitted for review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Comments should be submitted within 30 days of this publication in the **Federal Register**. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

Copies: Request for clearance (OMB 83–1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Jacqueline White, Small Business Administration,

[21] 15 U.S.C. 78s(b)(2).
[22] 17 CFR 200.30–3(a)(12).

409 3rd Street, SW., 5th Floor, Washington, DC 20416, Telephone: (202) 205–6629.

OMB Reviewer: Victoria Wassmer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

Title: 25–Model Corp. Resol. or GP Certif., 33–Model Letter to Selling Agent. 34-Bank ID, 1085–Appl. Lic Assure of Compliance.

Form No: 2115. 2116, 2117.
Frequency: New Collection.
Description of Respondents:
Applicants for SBA-guaranteed leverage.
Annual Responses: 125.
Annual Burden: 110.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 02–12883 Filed 5–22–02; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3415]

Commonwealth of Kentucky (Amendment #2)

In accordance with a notice received from the Federal Emergency Management Agency, dated May 10, 2002, the above numbered declaration is hereby amended to establish the incident period for this disaster as beginning on April 27, 2002 and continuing through May 10, 2002.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 6, 2002, and for economic injury the deadline is February 7, 2003.

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

Dated: May 15, 2002.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. 02–12882 Filed 5–22–02; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3409]

Commonwealth of Virginia (Amendment # 1)

In accordance with a notice received from the Federal Emergency Management Agency, dated May 15, 2002, the above numbered declaration is hereby amended to include Bedford, Campbell, Cumberland, Greensville, Prince Edward and Shenandoah Counties and the Independent City of Bedford in the Commonwealth of

Virginia as disaster areas due to damages caused by severe storms, tornadoes and flooding occurring on April 28, 2002 through May 3, 2002.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Amelia, Amherst, Appomattox, Botetourt, Brunswick, Buckingham, Charlotte, Dinwiddie, Fluvanna, Franklin, Frederick, Goochland, Halifax, Lunenburg, Nottoway, Page, Pittsylvania, Powhatan, Roanoke, Rockbridge, Rockingham, Southampton, Sussex and Warren Counties in Virginia; Northampton County in North Carolina; and Hardy County in West Virginia.

The economic injury number assigned to North Carolina is 9P7500.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 4, 2002, and for economic injury the deadline is February 5, 2003.

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

Dated: May 16, 2002.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. 02–12881 Filed 5–22–02; 8:45 am]

BILLING CODE 8025–01–P

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with Public Law 104–13 effective October 1, 1995, The Paperwork Reduction Act of 1995. SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

Written comments and recommendations regarding the information collection(s) should be submitted to the OMB Desk Officer and the SSA Reports Clearance Officer and at the following addresses:

(OMB) Office of Management and Budget, Attn: Desk Officer for SSA, New Executive Office Building, Room 10235, 725 17th St., NW., Washington, DC 20503.