

not available.¹⁹ Although there is no absolute assurance that market participants will go ahead and create Fund Shares in the event a short call writer needs to purchase Fund Shares to meet an exercise notice, it is likely that arbitrage opportunities will create an incentive to do so. Further, in the event there are not enough Fund Shares to meet exercise requirements, as with other physically-settled equity options, the Options Clearing Corporation has rules that would apply to such situations.

Second, the Commission believes that the surveillance standard developed by the PCX for options on Fund shares is adequate to address the concerns associated with the listing and trading of such securities. Specifically, the PCX has proposed that: (1) Any Fund Share with non-US stocks in the underlying index or portfolio that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio; (2) stocks for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index or portfolio; and (3) stocks for which the primary market is in any two countries that are not subject to comprehensive surveillance agreements do not represent 33% or more of the weight of the index or portfolio.

As a general matter, the Commission believes that comprehensive surveillance agreements provide an important deterrent to manipulation because they facilitate the availability of information needed to fully investigate a potential manipulation if it were to occur. These agreements are especially important in the content of derivative products based on foreign securities because they facilitate the collection of necessary regulatory, surveillance and other information from foreign jurisdictions. In evaluating the current proposal, the Commission believes that requiring comprehensive surveillance agreements to be in place between the PCX and the primary markets for foreign securities that comprise 50% or more of the weight of the underlying index or portfolio upon which Fund Shares are based, as well as the other conditions discussed above, provides an adequate mechanism for the exchange of surveillance sharing information necessary to detect and deter possible market manipulations. Although the Commission recognizes that up to 50% of the Portfolio's value may not be covered by comprehensive surveillance

agreements, the other requirements will ensure that a significant percentage of the portfolio is not made up of securities from uncovered countries. Further, as to the domestically-traded Fund Shares themselves and the domestic stocks in the underlying index or portfolio upon which Fund Shares are based, the Intermarket Surveillance Group Agreement will be applicable to the trading of options on Fund Shares.

Finally, the Commission believes that it is appropriate to require minimum margin of 100% of the current market value of the option plus 15% of the market value of the underlying security value ("broad-based margin") for options on Fund Shares based on a broad-based index or portfolio and for options on Fund Shares which have been approved to date. Moreover, the Commission believes that requiring minimum margin of 100% of the current market value of the option plus 20% of the market value of the underlying security value ("narrow-based margin") for options on Fund Shares based on a narrow-based index or portfolio is appropriate. The Commission notes that these margin requirements for options on Exchange-Traded Fund Shares are comparable to margin requirements that currently apply to broad-based and narrow-based index options.

The Commission finds good cause for approving the proposed rule change (SR-PCX-01-12), as amended, prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Commission notes that the proposed rule change, as amended, is similar to rules previously approved by the Commission for the American Stock Exchange, LLC, the Chicago Board Options Exchange, Inc., and the Philadelphia Stock Exchange, Inc.²⁰ The Commission also observes that the proposed rule change, as amended, concerns issues that previously have been the subject of a full comment period pursuant to Section 19(b) of the Act.²¹ The Commission does not believe that the proposed rule change, as amended, raises novel regulatory issues that were not addressed in the previous filings. Moreover, the Commission believes that approving the listing and trading of Exchange-Traded Fund Shares on the PCX will increase industry competitiveness by providing an

additional venue for the trading of such issues, to the benefit of the investor. Accordingly, the Commission finds that there is good cause, consistent with section 6(b)(5) of the Act, to approve the amended proposal on an accelerated basis.

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,²² that the proposed rule change (SR-PCX-01-12), as amended, is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority:²³

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-5692 Filed 3-7-01; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Amendment #1]

Declaration of Disaster #3318; State of Mississippi

In accordance with a notice received from the Federal Emergency Management Agency, dated February 27, 2001, the above-numbered Declaration is hereby amended to include Alcorn, Attala, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, Grenada, Humphreys, Itawamba, Lafayette, Lee, Leflore, Madison, Monroe, Noxubee, Panola, Pontotoc, Prentiss, Quitman, Sunflower, Tallahatchie, Tippah, Tishomingo, Union, Washington, Webster, Winston, Yalobusha and Yazoo counties in the State of Mississippi as disaster areas due to damages caused by severe storms and tornadoes. This notice also amends the incident period for this disaster as beginning on February 16, 2001 and continuing.

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: Benton, Hinds, Issaquena, Kemper, Leake, Marshall, Montgomery, Neshoba, Rankin, Scott, Sharkey, Tate, Tunica and Warren in the State of Mississippi; Colbert, Franklin, Lauderdale, Marion, and Sumter Counties in the State of Alabama; Chicot, Desha and Phillips Counties in the State of Arkansas; East Carroll in the State of Louisiana; Hardeman, Hardin and McNairy Counties in the State of Tennessee. Any counties contiguous to the above named primary counties and

²⁰ See Securities Exchange Act Release No. 40157 (July 1, 1998), 63 FR 37426 (July 10, 1998), (SR-Amex-96-44); Securities Exchange Release No. 43921 (February 2, 2001), 66 FR 9739 (February 9, 2001) (SR-Phlx-00-107); Securities Exchange Act Release No. 40166 (July 2, 1998), 63 FR 37430 (July 10, 1998) (SR-CBOE-97-03).

²¹ 15 U.S.C. 78s(b).

²² 15 U.S.C. 78s(b)(2).

²³ 17 CFR 200.30-3(a)(12).

¹⁹ See supra note 8.

not listed here have been previously declared.

The economic injury disaster numbers are: 9K8800 for the State of Arkansas; 9K8900 for the State of Louisiana; and 9K9000 for the State of Tennessee.

All other information remains the same, i.e., the deadline for filing applications for physical damage is April 24, 2001 and for economic injury the deadline is November 23, 2001.

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

Dated: March 1, 2001.

James E. Rivera,

Acting Associate Administrator for Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION

Declaration of Disaster #3320; State of Washington

As a result of the President's major disaster declaration on March 1, 2001, I find that King, Kitsap, Lewis, Mason, Pierce and Thurston Counties constitute a disaster area due to damages caused by an earthquake on February 28, 2001. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on April 30, 2001, and for loans for economic injury until the close of business on November 30, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, P.O. Box 13795, Sacramento, CA 95853-4795.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties in Washington may be filed until the specified date at the above location: Chelan, Cowlitz, Grays Harbor, Jefferson, Kittitas, Pacific, Skamania, Snohomish, Wahkiakum and Yakima.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	7.000
Homeowners Without Credit Available Elsewhere	3.500
Businesses With Credit Available Elsewhere	8.000
Businesses And Non-Profit Organizations Without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere	7.000
For Economic Injury:	

	Percent
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000

The number assigned to this disaster for physical damage is 332002 and for economic injury the number is 9K9100.

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

Dated: March 2, 2001.

James E. Rivera,

Acting Associate Administrator for Disaster Assistance.

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DEPARTMENT OF STATE

[Public Notice 3596]

Bureau of Educational and Cultural Affairs Request for Grant Proposals: Small Grants Competition Designed To Promote Women's Leadership and Disability Issues in Latin America, the Caribbean and the Middle East

SUMMARY: The Office of Citizen Exchanges of the Bureau of Educational and Cultural Affairs announces a Small Grants Competition designed to promote Women's Leadership and Disability Issues in Latin America, the Caribbean and the Middle East. Public and private non-profit organizations meeting the provisions described in IRS regulation 26 CFR 1.501(c) may submit proposals for exchanges and training programs that address women's leadership or disability issues in a single country in South America, Central America, the Caribbean, or the Arabian Peninsula states of the Middle East.

Announcement Title and Number

All communications with the Bureau concerning this Request for Grant Proposals (RFGP) should refer to the announcement title "Small Grants Competition designed to promote Women's Leadership and Disability Issues in Latin America, the Caribbean and the Middle East" and reference number ECA/PE/C-01-38.

Overview

The Office of Citizen Exchanges, Bureau of Educational and Cultural Affairs (ECA) announces a small grants competition for community-based nonprofit, nongovernmental organizations and institutions that conduct programs focusing on women's leadership and disability issues. ECA seeks organizations that are interested in developing grassroots training programs

and international exchanges in Latin America, the Caribbean or the Middle East. Only U.S. organizations that *have not received prior funding* directly from ECA are eligible to submit proposals.

The goal of this initiative is to provide support for small organizations or local chapters of national groups to expand the scope of their work and build or strengthen linkages with partner organizations in other countries. Programs should be designed so that the exchanges will operate on two levels: (1) They should enhance institutional partnerships and improve institutional capacity of the partner organizations, and (2) they should offer training sessions that include practical information and useful materials to enable the partners to conduct further training sessions after the grant period is over.

Competitive proposals will be creative and innovative with a clear implementation plan and well-articulated expected outcomes. Proposals should indicate that the program ideas were jointly developed between the American and foreign organization(s). Applicants should identify the foreign partner organization(s) and individuals with whom they are proposing to collaborate. Background information on the partner organization(s), and resumes for all American and foreign staff members and consultants should be included in the proposal.

The exchanges and training should combine elements of skill enrichment, experiential learning and exposure to American life and culture. The experiences should also provide Americans the opportunity to learn about and experience the culture of the partner's country. This program is not academic in nature; programs should be designed to provide practical, hands-on experience.

Program components may include, but are not limited to, "training of trainers (TOT)," job shadowing, hands-on workshops, internships, educational campaigns, consultations and short-term training. Orientation sessions must be included in the program and cultural programming may include mutually beneficial experiences hosted by local institutions and home stays with community members. The programming may take place in the United States and/or the partner country. Programs should be designed so that the sharing of information that occurs during the grant period will continue after the grant period is over. Strong proposals will have a clear, convincing plan outlining exactly how the program components will be carried out and how permanent