

“(3) the customer is a natural person who participates in a periodic municipal fund security plan (other than a plan described in subparagraph (C) of this paragraph (viii)) or a non-periodic municipal fund security program and the issuer has consented in writing to the use by the broker, dealer or municipal securities dealer of the periodic written information referred to in subparagraph (B) of this paragraph (viii) in lieu of an immediate confirmation for each transaction with each customer participating in such plan or program.”

On page 47535, Rule G-32(a)(i)(A) was incorrectly stated and should read as follows:

“(A) if a customer who participates in a period municipal fund security plan or a non-periodic municipal fund security program has previously received a copy of the official statement in final form in connection with the purchase of municipal fund securities under such plan or program, a broker, dealer or municipal securities dealer may sell additional shares or units of the municipal fund securities under such plan or program to the customer if such broker, dealer or municipal securities dealer sends to the customer a copy of any new, supplemented, amended or “stickered” official statement in final form, by first class mail or other equally promptly means, promptly upon receipt thereof; provided that, if the broker, dealer or municipal securities dealer sends a supplement, amendment or sticker without including the remaining portions of the official statement in final form, such broker, dealer or municipal securities dealer includes a written statement describing which documents constitute the complete official statement in final form and stating that the complete official statement in final form is available upon request; or”

On page 47538, the first sentence of the second paragraph in column 2 was incorrectly stated. This sentence should read as follows:

“Rule A-13—Assessments. Proposed Rule A-13 exempts the sale of municipal fund securities from the underwriting assessment imposed under section (b) thereof because the continuous nature of offerings in municipal fund securities, the predetermined and automatic nature of most customer investments and the heightened potential that underwriting assessments could create significant financial burdens on issuers to their customers’ detriment justify exempting municipal fund securities from the underwriting assessment.”

On page 47550, the second to the last sentence in column 3 was incorrectly stated. This sentence should read as follows:

“All submissions should refer to the File No. SR-MSRB-00-06 and should be submitted by August 23, 2000.”

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-20412 Filed 8-10-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[(Release No. 34-43115; File No. SR-PCX-00-16)]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc.; Relating to Changes to Its Schedule of Fees and Charges

August 3, 2000.

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 June 27, 2000, the Pacific Exchange, Inc. (“PCX” 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. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The PCX is proposing to modify its Schedule of Fees and Charges for Exchange Services. The Exchange is also proposing to waive the monthly dues applicable to certain Exchange memberships.

The text of the proposed rule change is available at the Office of the Secretary, the PCX, and the Commission.

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 PCX 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 PCX has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statement.

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

1. Purpose

The Exchange is proposing to make the following changes to its Schedule of Fees and Charges:

a. Options Fees

The Exchange is proposing to eliminate or reduce various rates and charges applicable to the Exchange’s options business. These include the elimination of the current fee for manual customer transactions and the elimination of the current ticket data entry fee. These changes are intended to make the Exchange’s rates more competitive, in order to attract order flow to the Exchange. The Exchange is also reducing its current market maker transaction charge and eliminating its current floor brokerage charge (applicable to executing floor brokers) in order to assure that its rates and charges are competitive with those of the other options exchanges. Finally, the Exchange is adopting a credit for Lead Market Makers (“LMMs”) who perform the service of operating the Limit Order Book—a service that was previously performed by Exchange staff. These charges are discussed separately below.

(i) *Customer Transaction Charges.* The Exchange is eliminating its current charge, applicable to customer transactions, of \$0.09 per contract side for manual (nonhand-held) executions.

(ii) *Market Maker Transactions Charges.* The Exchange is reducing its current charge for PCX market maker transactions from \$0.235 per contract to \$0.21 per contract side.

(iii) *Ticket Data Entry Fee.* The Exchange is eliminating its ticket data entry fee of \$0.25 that currently applies to customer trades.

(iv) *Floor Brokerage Charge.* The Exchange is eliminating the current floor brokerage charge, applicable to executing floor brokers, of \$0.01 per contract.

(v) *Floor Broker Hand-Held and Booth Devices.* The Exchange currently charges a fee of \$300 per month for floor broker hand-held devices. There is currently no charge per month for floor broker booth devices. The Exchange is reducing the charge for floor broker hand-held devices to \$175 per month and establishing a new charge for floor broker booth devices of \$225 per month.

¹ 15 U.S.C. 78s(b)(1)

² 17 CFR 240.19b-4.

(vi) *LMM Credit for Book Operations.* On July 2, 1999, the Commission approved a PCX proposal to permit employees of LMMs to provide staffing of the Options Limit Order Book.³ Since the time of the Commission's approval order in 1999, the Exchange's charges for the execution of orders in the Limit Order Book and other charges—which were designed to cover the expense of operating the Limit Order Book—have been substantially reduced or eliminated. Accordingly, the Exchange is now proposing to establish a credit to help offset the overall expense borne by LMMs who operate the Limit Order Book with their own employees. The Exchange notes that in such situations, the operation of the Limit Order Book was previously provided by Exchange employees. Accordingly, the Exchange is proposing to adopt a credit of \$0.05 per contract for each contract executed for the account of an LMM who operates the Limit Order Book.⁴ These credits will no longer apply after the November 2001 trade month.

b. Equities Fees

The Exchange is proposing to modify its fees applicable to its equities line of business in three respects. First, the Exchange is adopting new fees for the acquisition of Equity Trading Permits ("ETPs"). Second, the Exchange is adopting new specialist and floor broker fees that will apply to all equity specialists and floor brokers. These fees are intended to help the Exchange cover its costs and raise additional revenue. Third, the Exchange is proposing to amend its transaction fee schedule for orders in equity securities to eliminate the application of such fees to orders executed on behalf of PCX options market makers. These changes are discussed separately below.

(i) *ETP Fees.* On May 5, 2000, the Commission approved a PCX proposed rule change creating a Delaware stock corporation, which will be a wholly-owned subsidiary of the PCX: PCX Equities.⁵ Under the rule change, the PCX will increase the revenue of its equities business by conferring trading privileges on the basis of trading

permits (ETP and Equity ASAPs),⁶ rather than requiring equities trading participants to bear the costs of a seat membership.⁷ The Exchange intends to implement a rollout period during which both PCX members and ETP Holders will be permitted to trade equity securities on the PCX's equity trading floors.⁸ During the rollout period, the monthly fee to be charged to ETPs will be closely correlated, but discounted, to the current prevailing monthly lease rate for PCX memberships and will decrease proportionately over that period until it reaches \$2,000 per month in the tenth month following inception; the fees for an ETP will be assessed on a monthly basis.⁹

Based on the foregoing, the Exchange is proposing to adopt new fees for ETPs and new fees for PCX equity floor brokers and specialists. These new fees are designed to provide the PCX with additional revenue for the Exchange's equities business while, at the same time, maintaining stability of rates to provide a smooth distribution of seats from the equities floors to the options floor. Accordingly, the Exchange is proposing to adopt new rates applicable to ETPs, which allow PCX specialists to trade equity securities on the equities floors of the Exchange.

The proposed rates will be phased in over six months as follows: the fee will be: \$4,500 per month for the trade months of June, July and August, 2000; \$3,000 per month for the trade months of September, October and November 2000; and \$2,000 per month for the trade month of December 2000 and thereafter.

(ii) *New Specialist Fees and Floor Broker Fees.* The Exchange is proposing to adopt a monthly fee of \$2000 that will apply to each registered specialist and each registered floor broker on the PCX equity floors. The Exchange intends that the specialist and floor broker fees, and the ETP fees, in the aggregate, will ultimately be less than the current cost for an equity floor member to lease a seat.

(iii) *Elimination of Application of Transaction Fees to PCX Options Market Makers.* The Exchange is proposing to eliminate the application of transaction fees for certain orders received on behalf of PCX options market makers. Specifically, transaction fees charged by PCX Equities shall not

apply to orders received on behalf of registered PCX options market makers that are executed on the PCX equities floors. Market makers on the PCX options floor generate substantial revenues for the Exchange by providing liquidity for the options market that results in transaction fees charged for trades executed on the PCX options floor. These market makers also pay other significant fees and charges to the Exchange as set forth in PCX's fee schedule. They also send periodically equity orders to PCX Equities for execution.

Currently, these orders, once executed, are subject to the PCX Equities—Exchange Transaction Fee Schedule. In order to recognize the contributions of the PCX options market makers to the overall revenues of the Exchange, PCX is proposing to eliminate the application of the PCX Equities—Exchange Transaction Fee schedule to equity orders sent by PCX options market makers to PCX Equities for execution.

c. Waiver of Monthly Dues

The Exchange currently charges dues of \$750 per month per Exchange membership. The Exchange is proposing to waive these dues for memberships that are unassigned, *i.e.*, that are not being leased or otherwise being used to conduct business on the Exchange (whether as trading floor memberships or as clearing firm memberships). The waiver will be in effect beginning in July 2000 and until further notice.¹⁰ It will only apply to memberships that have been unassigned for the entire trade month in which it would otherwise apply. The purpose of this waiver is to reduce the current cost of carrying an unassigned membership on the Exchange, and thereby to maintain stability in the Exchange's seat market while the Exchange is introducing ETPs to replace seats and while the current equity memberships are migrating to the options floor.¹¹

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b)¹² of the Act, in general, and Section 6(b)(4) of the Act,¹³ in particular, because it provides for the equitable allocation of reasonable dues, fees and other charges among its members.

³ See Securities Exchange Act Release No. 41595, 64 FR 38064 (July 14, 1999).

⁴ The proposed LMM credit of \$0.05 per contract is to be applied against the \$0.21 per contract side transaction fee paid by PCX market makers, including LMMs; thus, the proposed credit cannot result in a net financial benefit to LMMs. Telephone conversation between Michael Pierson, Vice President—Regulatory Policy, PCX, and Geoffrey Pemble, Attorney, Division of Market Regulation, SEC, on August 1, 2000.

⁵ See Securities Exchange Act Release No. 42759, 65 FR 30654 (May 12, 2000).

⁶ The fee for Equity ASAP Holders of \$4,000 per year is the same as the fee currently charged for ASAP Memberships.

⁷ See *supra* note 5.

⁸ *Id.* at 30658.

⁹ *Id.*

¹⁰ The Exchange intends to file a rule change proposal with the Commission to terminate this dues waiver.

¹¹ See generally *supra* note 5.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to section 19(b)(3)(A) ¹⁴ of the Act and subparagraph (f)(2) of Rule 19b-4 ¹⁵ thereunder. 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 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 PCX. All submissions should refer to File No. SR-PCX-00-16 and should be submitted by September 1, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-20414 Filed 8-10-00; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3271; Amendment #3]

State of Minnesota

In accordance with a notice from the Federal Emergency Management Agency, dated July 28, 2000, the above-numbered Declaration is hereby amended to include Yellow Medicine County, Minnesota as a disaster area due to damages caused by severe storms, flooding, and tornadoes beginning on May 17, 2000, and continuing through July 26. Please note the extension of the incident period and the expansion of the incident type to include tornadoes.

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:

Chippewa, Lac Qui Parle, Lincoln, Lyon, Redwood, and Renville Counties in Minnesota, and Deuel County, South Dakota. Any counties contiguous to the above-named primary counties and not listed herein have been previously declared.

The economic injury number for South Dakota is 9I0300.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is August 29, 2000 and for economic injury the deadline is March 30, 2001.

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

Dated: August 1, 2000.

Herbert L. Mitchell,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 00-20391 Filed 8-10-00; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3274]

State of North Carolina

Orange County and the contiguous counties of Alamance, Caswell,

Chatham, Durham, and Person in the State of North Carolina constitute a disaster area due to damages caused by heavy rains and flooding that occurred on July 23 and 24, 2000. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on October 2, 2000 and for economic injury until the close of business on May 1, 2001 at the address listed below or other locally announced locations: Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	7.375
Homeowners Without Credit Available Elsewhere	3.687
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	6.750
For Economic Injury:	
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000

The numbers assigned to this disaster are 327406 for physical damage and 9I0100 for economic injury.

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

Dated: August 1, 2000.

Aida Alvarez,

Administrator.

[FR Doc. 00-20392 Filed 8-10-00; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3275]

State of Tennessee

Wilson County and the contiguous counties of Cannon, Davidson, De Kalb, Rutherford, Smith, Sumner, and Trousdale in the State of Tennessee constitute a disaster area due to damages caused by a fire that occurred on July 24, 2000, in the City of Lebanon. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on October 2, 2000 and for economic injury until the close of business on May 1,

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(2).

¹⁶ 17 CFR 200.30-3(a)(12).