

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47016; File No. SR-SCCP-2001-12]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Order Granting Accelerated Approval on a Temporary Basis of a Proposed Rule Change Extending Approval of Restructured and Limited Clearing Services

December 17, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 17, 2001, the Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") and on November 26, 2002, amended the proposed rule change as described in items I and II below, which items have been prepared primarily by SCCP. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposal through December 31, 2002.

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

SCCP proposes to extend for a one year period ending December 31, 2003, the Commission's approval of its providing limited clearance and settlement services. Specifically, SCCP seeks to continue to provide trade confirmation and recording services for members of the Philadelphia Stock Exchange, Inc. ("Phlx") effecting transactions through Regional Interface Operations ("RIO") and ex-clearing accounts. SCCP will also continue to provide margin accounts to certain participants whose transactions are cleared through an account established by SCCP at the National Securities Clearing Corporation ("NSCC").²

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

In its filing with the Commission, SCCP 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. SCCP has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.³

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to obtain Commission approval of SCCP's restructured and limited clearance and settlement business for an additional one year period ending December 31, 2003. In an agreement dated as of June 18, 1997, ("Agreement") by and among the SCCP, Phlx, Philadelphia Depository Trust Company ("Philadep"), NSCC and The Depository Trust Company ("DTC"), SCCP and Philadep agreed to certain provisions, including that: (i) Philadep would cease providing securities depository services; (ii) SCCP would make available to its participants access to the facilities of one or more other organizations providing depository services; (iii) SCCP would make available to SCCP participants access to the facilities of one or more other organizations providing securities clearing services; and (iv) SCCP would transfer to the books of such other organizations the CNS system open positions of SCCP participants on the books of SCCP.

In December 1997, the Commission approved proposed rule changes which gave effect to this Agreement and which reflected Philadep's withdrawal from the depository business and SCCP's restructured and limited clearance and settlement business.⁴ In that approval order, the Commission stated, "However, because a part of SCCP's proposed rule change concerns the restructuring of SCCP's operations to enable SCCP to offer limited clearing and settlement services to certain Phlx members, the Commission finds that it is appropriate to grant only temporary approval to the portion of SCCP's

proposed rule change that amends SCCP's By-Laws, Rules, or Procedures. This will allow the Commission and SCCP to see how well SCCP's restructured operations are functioning under actual working conditions and to determine whether any adjustments are necessary. Thus, the Commission is approving the portion of SCCP's proposal that amends its By-Laws, Rules, and Procedures through December 31, 1998." Subsequent to that approval, one-year extensions of such approval have been granted by the Commission to continue SCCP's restructured and limited clearance and settlement services.⁵

SCCP is hereby requesting an additional one year extension of such approval noting that such extension is appropriate in order that SCCP may continue to provide services to its participants. SCCP believes that its restructured operations have functioned consistent with the original proposed rule change, and SCCP will continue to evaluate whether any adjustments are necessary.

In the original proposed rule change and order temporarily approving SCCP's restructured business, many SCCP rules were amended and discussed at length. No new rule changes are proposed at this time. Thus, the purpose of the proposed rule change is to extend the effectiveness of SCCP's restructured business.

SCCP believes that the extension of the Commission's temporary approval to permit SCCP's continued operation of its restructured and limited clearance and settlement services is consistent with the requirements of the Act and the rules and regulations thereunder applicable to SCCP and in particular with section 17A(b)(3)(F) which requires that a clearing agency be organized and its rules be designed, among other things, to promote the prompt and accurate clearance and settlement of securities transactions. SCCP believes that the extension of SCCP's restructured business should promote the prompt and accurate clearance and settlement of securities transactions by integrating and consolidating clearing services available to the industry.

⁵ Securities Exchange Act Release Nos. 40872 (December 31, 1998), 64 FR 1264 (January 8, 1999) (SR-SCCP-98-05); 42320 (January 6, 2000), 65 FR 2218 (January 13, 2000) (SR-SCCP-99-04); 43781 (December 28, 2000), 66 FR 1167 (January 5, 2001) (SR-SCCP-00-05), and 45227 (January 3, 2002), 67 FR 1259 (January 9, 2002) (SR-SCCP-2001-11).

³ The Commission has modified the text of the summaries prepared by SCCP.

⁴ Securities Exchange Act Release No. 39444 (December 11, 1997), 62 FR 66703 (December 19, 1997) (SR-SCCP-97-04).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² See SCCP rule 1.

(B) Self-Regulatory Organization's Statement on Burden on Competition

SCCP does not believe that this extension should impose any burden on competition 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

Written comments were neither solicited nor received with respect to the proposed rule change.

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

Section 17A(b)(3)(F) of the Act⁶ requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. Based on the information the Commission has to date, the Commission believes that SCCP's restructured operations have functioned satisfactorily to provide prompt and accurate clearance and settlement. During the upcoming temporary approval period, the Commission expects to review with SCCP in detail the functioning of SCCP's restructured operations in order to determine whether permanent approval of SCCP's restructured business is warranted.

SCCP has requested that the Commission approve the proposed rule change prior to the 30th day after publication of the notice of the filing. The Commission finds good cause for approving the rule change prior to the 30th day after publication because such approval will allow SCCP to continue to offer its restructured clearing operations for another year without interruption.

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. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-SCCP-2001-12. This file number should be included on the subject line if e-mail is used. 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of SCCP. All submissions should refer to File No. SR-SCCP-2001-12 and should be submitted by January 14, 2003.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-SCCP-2001-12) be and hereby is approved on an accelerated basis through December 31, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-32319 Filed 12-23-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster #3452]****State of Louisiana (Amendment # 5)**

In accordance with a notice received from the Federal Emergency Management Agency, dated December 13, 2002, the above numbered declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to January 3, 2003.

All other information remains the same, *i.e.*, the deadline for filing applications for economic injury is July 3, 2003.

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

Dated: December 17, 2002.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION**[Declaration of Disaster #3459]****State of Texas; (Amendment #5)**

In accordance with a notice received from the Federal Emergency Management Agency, dated December 16, 2002, the above numbered declaration is hereby amended to include Walker County in the State of Texas as a disaster area due to damages caused by severe storms, tornadoes, and flooding occurring on October 24, 2002, and continuing through November 15, 2002.

In addition, applications for economic injury loans from small businesses located in Houston and Madison Counties in the State of Texas may be filed until the specified date at the previously designated location. All other counties contiguous to the above named primary counties have been previously declared.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is January 6, 2003, and for economic injury the deadline is August 5, 2003.

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

Dated: December 18, 2002.

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. 02-32402 Filed 12-23-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION**Notice: Small Business Administration Interest Rates**

The Small Business Administration publishes an interest rate called the optional "peg" rate (13 CFR 120.214) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 4.500 (4½) percent for the January-March quarter of FY 2003.

James E. Rivera,

Associate Administrator for Financial Assistance.

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⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).