

discontinue the trade comparison process for all such trades.<sup>4</sup>

Accordingly, NSCC is modifying its Rules and Procedures to reflect this development. Rules 5 (General Provisions) and 7 (Comparison Operation), and Procedure II (Trade Comparison Service) will be amended to provide that as the various marketplaces and exchanges assume the responsibility for comparing trades executed in their respective markets, NSCC will cease providing comparison services with respect to the trades executed in those markets. NSCC will notify its members by Important Notice prior to the occurrence of each such "discontinuance."

This rule change provides for trades to be compared at the time of execution at the markets when the market provides comparison services and thereby permits discrepancies to be identified and corrected more quickly and reduces the risk of failed trades. Accordingly, NSCC believes that this change should facilitate the prompt and accurate clearance and settlement of securities transactions. NSCC states that the proposed rule change is therefore consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

*(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others*

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify Commission of any written comments it receives.

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

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder and particularly with the requirements of

Section 17A(b)(3)(F).<sup>5</sup> Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. Having the trade comparison function occur at the marketplace where the trades occur should help reduce the risk of failed trades and thus should promote prompt and accurate clearance and settlement of securities transactions.

NSCC has requested that the Commission approve the proposed rule change prior to the thirtieth day after publication of the notice of the filing. The Commission finds good cause for approving the rule change prior to the thirtieth day after publication because such approval will allow NSCC to cease providing comparison services for the NYSE when the NYSE assumes full responsibility for comparing all its equity trades on June 28, 2001.

**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 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 NSCC. All submissions should refer to File No. SR-NSCC-2001-12 and should be submitted by July 27, 2001.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> that the proposed rule change (File No. SR-NSCC-2001-12) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Jonathan G. Katz,**  
*Secretary.*

[FR Doc. 01-16880 Filed 7-5-01; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-44484; File No. SR-NYSE-2001-12]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Amending the Original Listing Standard for Cash Flow Revenue and Requiring Press Release Announcement from Companies Below Continued Listing Criteria By Reason of Share Price**

June 28, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 17, 2001, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") 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 NYSE proposes to amend Sections 102 and 103 of the Exchange's *Listed Company Manual* to align the cash flow revenue original listing standard with that in the global market capitalization standard. The proposed rule change also would amend Section 802 and NYSE Rule 499 to require a press release announcement when a company is notified it is below the \$1.00 price standard. The text of the proposed rule change is as follows: Proposed additions are *italicized* and proposed deletions are in brackets.<sup>3</sup>

\* \* \* \* \*

<sup>7</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The proposed rule language has been marked against Sections 102, 103, 802, and NYSE Rule 499 as amended by SR-NYSE-2001-02 in Securities Exchange Act Release No. 44481 (June 27, 2001). Telephone conversation between James F. Duffy, Senior Vice President and Associate General Counsel, NYSE; Florence Harmon, Senior Special

<sup>4</sup> The Nasdaq Stock Market, Inc. has filed an application for exchange registration. Before NSCC ceases providing comparison services for the Nasdaq marketplace, it will make sure that market participants at both the National Association of Securities Dealers, Inc. and The Nasdaq Stock Market, Inc. have access to comparison services. Securities Exchange Act Release No. 44396 (June 7, 2001), 66 FR 31952 (June 13, 2001) (Notice of The Nasdaq Stock Market, Inc.'s application for exchange registration).

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 15 U.S.C. 78s(b)(2).

**102.00 Domestic Companies****102.01 Minimum Numerical Standards—Domestic Companies—Equity Listings**

\* \* \* \* \*

**102.01C A company must meet one of the following financial standards.**

\* \* \* \* \*

(II) A Company with not less than \$500,000,000 market capitalization and [\$200,000,000] \$100,000,000 in revenues during the most recent 12 month period must demonstrate from the operating activity section of its cash flow statement that its cash flow, which represents net income adjusted to (a) reconcile such amounts to cash provided by operating activities, and (b) exclude changes in operating assets and liabilities, is at least \$25,000,000 in the aggregate for the last three fiscal years, and each year is reported as a positive amount as adjusted (E)(F) pursuant to Para. 102.10C(I)(2)(a) and (b) as applicable. With respect to reconciling amounts pursuant to this Paragraph, all such amounts are limited to the amount included in the company's income statement.

\* \* \* \* \*

**103.00 Non-U.S. Companies****103.01 Minimum Numerical Standards Non-U.S. Companies Equity Listings Distribution**

\* \* \* \* \*

**103.01B. A company must meet one of the following financial standards:**

\* \* \* \* \*

(II) A company [Companies] with not less than \$500,000,000 market capitalization and [\$200,000,000] \$100,000,000 in revenues in the most recent 12 month period must demonstrate from the operating activity section of its cash flow statement that its operating cash flow excluding changes in operating assets and liabilities is at least \$100,000,000 in the aggregate for the last three fiscal years, where each of the two most recent years is reported at a minimum of \$25,000,000 as adjusted (C)(D) for Para. 102.01C(I)(2)(a) and (b). Reconciliation to U.S. GAP of the third year back would only be required if the Exchange determines that reconciliation is necessary to demonstrate that the aggregate \$100,000,000 threshold is satisfied.

\* \* \* \* \*

**802.00 Continued Listing****802.01 Continued Listing Criteria**

The exchange would normally give consideration to delisting a security either a domestic or non-U.S. issuer when;

\* \* \* \* \*

**802.01C Price Criteria**

Average closing price of a security is less than \$1.00 over a consecutive 30-trading-day period (E)

(E) Once notified, the company must bring its share price and average share price back above \$1.00 by six months following receipt of the notification. If this is the only criteria that makes the company below the Exchange's continued listing standards, the procedures outlined in Paras. 802.02 and 802.03 do not apply. The company must, however, notify the Exchange, within 10 business days of receipt of the notification, of its intent to cure this deficiency or be subject to suspension and delisting procedures. *In addition, the company has 45 days (90 days in the case of a non-U.S. company) from receipt of the notification to issue a press release disclosing the fact that it has fallen below the continued listing standards of the Exchange. If the company fails to issue this press release during the allotted 45 or 90 days, the Exchange will issue the requisite press release.* In the event that at the expiration of the six-month cure period, both a \$1.00 share price and a \$1.00 average share price over the preceding 30 trading days are not attained, the Exchange will commence suspension and delisting procedures.

Notwithstanding the foregoing, if a company determines that, if necessary, it will cure the price condition by implementing a reverse stock split, it must so inform the Exchange in the above referenced notification, must obtain shareholder approval for the reverse by no later than its next annual meeting, and must implement the reverse promptly thereafter. The price condition will be deemed cured if price promptly exceeds \$1.00 per share, and the price remains above that level for at least the following 30 trading days. Notwithstanding the foregoing, if the subject security is not the primary trading common stock of the company (e.g., a tracking stock or a preferred class) or is a stock listed under the Affiliated Company standard where the parent remains in "control" as that term is used in that standard, the Exchange may determine whether to apply the Price Criteria to such security after evaluating the financial status of the

company and/or the parent/affiliated company, as the case may be.

\* \* \* \* \*

**Delisting of Securities****Suspension from Dealings or removal from List by Action of the Exchange**

\* \* \* \* \*

Rule 499. Securities admitted to the list may be suspended from dealings or removed from the list at any time.

\* \* \* Supplementary Material:

\* \* \* \* \*

**.20 NUMERICAL AND OTHER CRITERIA**

The Exchange would normally give consideration to suspending or removing from the list a security of a company, whether it be a domestic or non-U.S. issuer, when:

\* \* \* \* \*

8. Average closing price of a security is less than \$1.00 over a consecutive 30 trading-day period. Once notified, the company must bring its share price and average share price back above \$1.00 by six months following receipt of the notification. If this is the only criteria that makes the company below the Exchange's continued listing standards, the procedures outlined in Paras. .50 and .60 of this Rule 499 do not apply. The company must, however, notify the Exchange, within 10 business days of receipt of the notification, of its intent to cure this deficiency *or be subject to suspension and delisting procedures. In addition, the company has 45 days (90 days in the case of a non-U.S. company) from receipt of the notification to issue a press release disclosing the fact that it has fallen below the continued listing standards of the Exchange. If the company fails to issue this press release during the allotted 45 or 90 days, the Exchange will issue the requisite press release.* In the event that at the expiration of the cure period, both a \$1.00 share price and a \$1.00 average share price over the preceding 30 trading days are not attained, the Exchange will commence suspension and delisting procedures.

Notwithstanding the foregoing, if a company determines that, if necessary, it will cure the price condition by taking an action that will require approval of its shareholders, it must so inform the Exchange in the above referenced notification, must obtain the shareholder approval by no later than its next annual meeting, and must implement the action promptly thereafter. The price condition will be deemed cured if the price promptly exceeds \$1.00 per share, and the price

remains above that level for at least the following 30 trading days.

Notwithstanding the foregoing, if the subject security is not the primary trading common stock of the company (e.g., a tracking stock or a preferred class) or is a stock listed under the Affiliated Company standard where the parent remains in "control" as that term is used in that standard, the Exchange may determine whether to apply the Price Criteria to such security after evaluating the financial status of the company and/or the parent/affiliated company, as the case may be.

## 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 Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed my 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 Exchange 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

The purpose of this proposed rule change is to amend Sections 102 and 103 of the Exchange's *Listed Company Manual* to align the cash flow revenue original listing standard with that in the global market capitalization standard. The proposed rule change also would amend Section 802 and NYSE Rule 499 to require a press release announcement when a company is notified it is below the \$1.00 price standard.

#### Amendments to Sections 102 and 103 (Original Listing)

Sections 102 and 103 set forth the criteria for original listing of, respectively, domestic and foreign issuers. Last year, the Exchange reduced the per annum revenue required under the \$1 billion global market capitalization standard from \$200 million to \$100 million.<sup>4</sup> The Exchange represents that its experience with that amended standard suggests that a similar change would be appropriate in

the cash flow standard,<sup>5</sup> which otherwise requires a company to have a market capitalization of not less than \$500 million and aggregate cash flow over its these most recent fiscal years of a least \$25 million (\$100 million for non-U.S. companies). Accordingly, the Exchange proposes to reduce the 12-month revenue required under the cash flow standard from \$200 million to \$100 million.

#### Amendments to Section 802 (Continued Listing)<sup>6</sup>

Section 802.01C provides that a company will be below criteria ("BC") if its average closing share price over a connective 30 trading-day period is less than \$1.00. Such a company is required to bring its 30 trading-day average closing price above \$1.00 by the later of its next annual meeting date or six months after receipt of notification from the Exchange of the price condition. While companies falling below the Exchange's other financial continued listing criteria related to market capitalization and shareholders' equity are required to put out a press release announcement after they are notified of their BC status by the Exchange,<sup>7</sup> the same is not required of companies that become BC for the reason of their share price. The Exchange represents that its experience with the existing press release requirement suggests that a similar press release requirement would be appropriate for companies that become BC for share price. The same time frame for issuance of the press release would also seem appropriate. Accordingly, the Exchange proposes to require a U.S. company to put out a press release announcing its BC status no later than 45 days, and a non-U.S. company to put out a press release no later than 90 days, after being notified by the Exchange of the price condition. The Exchange believes that, as is that case with the press release requirement relating to the other BC standards, the time period for issuance of the press release would allow companies some time to formulate an action plan for dealing with the situation. Thus, any public announcement would include

<sup>5</sup> See *Listed Company Manual* Sections 102.01C(II) (domestic companies) and 103.01B(II) (non-U.S. companies).

<sup>6</sup> Parallel amendments would also be made to Exchange Rule 499. In addition, a phrase that appears in Section 802.01C of the *Listed Company Manual* but not at the parallel spot in Exchange Rule 499 would be added to Exchange Rule 499 herein.

<sup>7</sup> See *Listed Company Manual* Sections 802.02 (domestic companies) and 802.03 (non-U.S. companies).

information about the actions the company proposes to alter its BC status.

#### 2. Statutory Basis

The Exchange believes the basis under the Act for the proposed rule change is the requirement under Section 6(b)(5)<sup>8</sup> that an Exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

#### 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 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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve the proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

## 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

<sup>4</sup> See *Listed Company Manual* Sections 102.01C(III) (domestic companies) and 103.01B(III) (non-U.S. companies). See Securities Exchange Act Release No. 43027 (July 12, 2000), 65 FR 44556 (July 18, 2000) (approving SR-NYSE-00-27).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

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. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR-NYSE-2001-12 and should be submitted by July 27, 2001.

For the Commission, by Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 01-16883 Filed 7-5-01; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster #3341]

#### State of Minnesota; Amendment #6

In accordance with a notice received from the Federal Emergency Management Agency, dated June 28, 2001, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to July 31, 2001.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 31, 2001 and for economic injury the deadline is February 15, 2002.

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

Dated: June 28, 2001.

**Herbert L. Mitchell,**  
Associate Administrator for Disaster Assistance.

[FR Doc. 01-16860 Filed 7-5-01; 8:45 am]

BILLING CODE 8025-01-P

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### [Docket No. 301-100a]

#### Termination of Action and Monitoring: European Communities' Regime for the Importation, Sale and Distribution of Bananas

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of termination of action, monitoring, and request for public comments.

**SUMMARY:** Pursuant to authority under section 301 of the Trade Act of 1974, as amended, on April 19, 1999, the United States Trade Representative (Trade Representative) imposed 100 percent *ad valorem* duties on a list of products of certain member States of the European Communities (EC) as a result of the EC's failure to implement the recommendations and rulings of the World Trade Organization (WTO) Dispute Settlement Body concerning the EC's regime for the importation, sale and distribution of bananas. On April 11, 2001, the United States and the EC announced an understanding in the *Bananas* dispute. Pursuant to that understanding, the EC is taking steps to provide greater market access to U.S. banana distributors, and the Trade Representative is terminating the 100 percent *ad valorem* duties on the list of EC products. The Trade Representative will monitor the EC's compliance with the understanding, and in particular, whether the EC modifies certain tariff rate quotas by January 1, 2002. Should the EC fail to do so, the Trade Representative may again take action under Section 301.

**DATES:** Comments should be submitted by 5 p.m. on August 7, 2001. The termination of increased duties is effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after July 1, 2001, except that the termination of increased duties on HTS subheading 4911.91.20 is effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after March 3, 1999.

**ADDRESSES:** Comments should be submitted to Sybia Harrison, Staff Assistant to the Section 301 Committee, ATTN: Docket 301-100a, Office of the United States Trade Representative, 1724 F Street, NW., Room 217, Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Sybia Harrison, Staff Assistant to the Section 301 Committee, (202) 395-3419, for questions concerning procedures for filing comments in response to this notice; Ralph Ives, Assistant U.S. Trade Representative, (202) 395-3430, for questions concerning the *Bananas* case; William Busis, Associate General Counsel, (202) 395-3150, for questions concerning procedures under Section 301; or Yvonne Tomenga, Program Officer, Office of Trade Programs, U.S. Customs Service, (202) 927-0133, for questions concerning entries.

**SUPPLEMENTARY INFORMATION:** In 1993, the EC adopted a regime governing the importation, sale, and distribution of bananas that was discriminatory and harmed the economic interests of the

United States by denying to U.S. companies a major portion of their banana distribution business. WTO dispute settlement panels have confirmed that the EC's banana regime was inconsistent with the EC's obligations under the WTO Agreement. WTO arbitrators have determined that the EC's banana regime has nullified or impaired U.S. benefits under the WTO Agreement in the amount of \$191.4 million per year. As a result, the WTO Dispute Settlement Body authorized the United States to suspend the application to the EC, and member States thereof, of WTO tariff concessions and related obligations covering trade in an amount of \$191.4 million per year.

Pursuant to the authorization of the WTO Dispute Settlement Body and under the authority of Sections 301 to 309 of the Trade Act of 1974, as amended ("Section 301"), the USTR announced a list of nine EC products that would be subject to a 100 percent rate of duty, effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after March 3, 1999. See 64 FR 19,209 (April 19, 1999). Since that time, the United States and the EC have consulted in an effort to resolve the dispute, and the increased duties have remained in place. The procedural and substantive background of the U.S. investigation under Section 301 and the associated WTO proceedings concerning the EC's banana regime is set forth in prior notices. See 64 FR 19,209 (April 19, 1999); 63 FR 71,665 (Dec. 29, 1998); 63 FR 63,099 (Nov. 10, 1998); 63 FR 56,687 (Oct. 22, 1998); and 63 FR 8248 (Feb. 18, 1998).

On April 11, 2001, the United States and the EC announced an understanding in the dispute. The understanding provides for phased implementation steps. By July 1, 2001, the EC is to adopt a new system of banana licenses based on historic reference periods. By January 1, 2002, the EC will shift an additional 100,000 tons of bananas into a tariff rate quota accessible to bananas of Latin American origin (with respect to which U.S. distributors have a substantial historic share). By January 1, 2006, the EC will introduce a tariff-only regime for banana imports.

Pursuant to the understanding, the United States is to remove increased duties on EC products by July 1, 2001 if the EC completes the first phase of implementation (adoption of historic reference periods). The understanding also provides that the United States may reimpose increased duties if the EC does not complete the second phase of

<sup>9</sup> 17 CFR 200.30-3(a)(12).