

way affect the actual execution of PACE orders. The Exchange is proposing to refer to this calculated dollar savings as the "U-SAVE" program.

The U-SAVE program is proposed to be made available for intraday round lot and partial round lot market and marketable limit orders² entered via the Exchange's PACE system.³ The U-SAVE (almost of price improvement) is calculated in comparison to the best bid and offer displayed in the national market system at the time the order is received. For buy side orders, only orders executed at a price lower than the national best offer price will receive a U-SAVE indicator. For sell side orders, only orders executed at a price higher than the national best bid price will receive a U-SAVE indicator.

The following examples illustrate how U-SAVE is proposed to work.

Example 1—Assume the national market quote is 50-50¼. A market order to sell 1,000 shares, entered on the Phlx, is stopped at 50, meaning it is guaranteed a price at 50 or a better price. The order is subsequently executed at 50½. This is an ½ point savings over the national bid price of 50, which translates into \$125 savings over the guaranteed price. Thus, the execution report would display U-SAVE \$125.

Example 2—Assume the national market quote is 50-50¼. A marketable limit order to sell 800 shares at 50 or better is entered on the Phlx. The order is subsequently executed at 50½. This is an ½ point savings over taking the prevailing bid of 50. The execution report would display U-SAVE \$100.

Example 3—Assume the national market quote is 50-50½. A market order to buy 1,000 shares, entered on the Phlx, is executed at 50. This is an ½ point savings over taking the prevailing offer of 50½. The execution report would display U-SAVE \$125.

If no price improvement was provided or if the firm has not requested to participate in the program then no price improvement information would be displayed on the execution report to the entering firm.

The Exchange believes that the U-SAVE program may be expected to enhance the information made available to investors and improve their understanding of the auction market.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5)⁴ of the Act in that it is designed to promote just

² Only limit orders that are marketable at the time they are received by the Exchange are considered in calculating price improvement savings. See letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, to Anthony P. Pecora, Attorney, Division of Market Regulation, SEC, dated February 7, 1997 ("Amendment No. 1").

³ Tick sensitive orders and orders entered on the Floor are not included in the U-SAVE program. *Id.*

⁴ 15 U.S.C. 78f(b)(5).

and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. This rule change is designed to perfect the mechanism of a free and open market in that it enhances the information provided to investors by displaying to them the dollar value of the price improvement their orders may have received when executed on the Phlx.

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

The proposed rule change does not 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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest, (2) does not impose any significant burden on competition, and (3) does not have the effect of limiting access to or availability of any Exchange order entry or trading system, the U-SAVE program has become effective pursuant to Section 19(b)(3)(A)(iii)⁵ of the Act and Rule 19b-4(e)(5)⁶ thereunder.

At any time within sixty days of the filing of such 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.⁷

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(e)(5).

⁷ The Commission notes that Amendment No. 1 substantively modifies the proposed rule change. Therefore, the time period within which the Commission may act to summarily abrogate this rule change began on February 11, 1997, the date Amendment No. 1 was received.

Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. 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-97-01 and should be submitted by March 26, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster Loan Area #9378]

North Dakota; (and Contiguous Counties in Minnesota, South Dakota & Montana); Declaration of Disaster Loan Area; Amendment #1

The above-numbered Declaration, approved on February 11, 1997, is hereby amended to include Bowman County and the contiguous Counties of Slope in the State of North Dakota, and Fallon in the State of Montana as economic injury disaster loan areas as a result of severe winter storms and blizzard conditions during the period of January 3 through January 31, 1997. All other contiguous counties not listed herein have already been included in previous declarations.

All other information remains the same, i.e., the termination date for filing applications for economic injury assistance is November 12, 1997.

(Catalog of Federal Domestic Assistance Program No. 59002)

Dated: February 25, 1997.

Aida Alvarez,
Administrator.

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⁸ 17 CFR 200.30-3(a)(12).