

available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-98-67 and should be submitted by October 15, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40449; File No. SR-PCX-98-46]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Guidelines for Consolidation of Specialist Posts

September 17, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 17, 1998, 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 PCX. 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

PCX is proposing to adopt formal guidelines to be used by the Equity Floor Trading Committee ("EFTC") in determining whether to allow specialist firms to consolidate their specialist posts. These standards are intended to give the EFTC greater guidance in exercising its existing authority to supervise and approve the consolidation of specialist posts on the Equity Floors of the Exchange.

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

In its filing with the Commission, 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. PCX 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 EFTC has been responsible for approving requests of specialist firms to transfer issues inter-firm or intra-firm, including requests of specialist firms to consolidate their posts.² Under this long-standing authority of the EFTC to review intra-firm transfers, including the consolidation of specialist posts, the EFTC supervises and approves the transfer of issues on the floor when a member firm has relinquished one or more of its specialist posts. It has also approved the intra-firm transfer of stocks, for example, a firm with five posts may obtain EFTC approval to "collapse" one post and redistribute its stocks to the remaining four posts.³

The Exchange believes that a number of specialist firms will be interested in collapsing their posts. In light of several such requests to collapse posts, the Exchange is now proposing to provide the EFTC with specific guidelines and procedures to use when considering member firms' requests to consolidate their specialist posts. Specifically, in the approval process, the EFTC will consider: (a) whether the firm has provided the Exchange with economic or business justification for consolidating its posts; (b) whether the firm has demonstrated to the EFTC that

² See PCX Constitution, Art. IV, Section 6(a), which provides that the EFTC "shall be responsible for the general supervision of the dealings of members on the Equity Floor. It shall make and recommend to the Board of Governors for adoption such rules as it may deem necessary for the fair and orderly transaction of business upon the Equity Trading Floor." See also Section 6(b), which provides in part that "[it] shall be the duty of the [EFTC] to . . . supervise the conduct of members on the floor and their use of floor facilities [and to] recommend to the Board of Governors: (i) the creation of specialist posts, and (ii) the appointment of specialists." See also PCX Rule 11.4, which provides in part that "[e]ach committee shall have such other powers and duties as may be delegated to it by the Board of Governors."

³ Although the EFTC is responsible for overseeing the transfer of issues in these situations, the Equity Allocation Committee continues to be responsible for allocating stocks, in general, or reallocating stocks for performance reasons. See PCX Constitution, Art. IV, Section 5(b); PCX Rules 5.37(j) and 5.37(s). The Exchange notes that parallel rules and procedures exist with respect to Options Floor realignment of Options Market Maker posts on the floor and the reallocation of option issues on the Options Trading Floor. See PCX Constitution, Art. IV, Section 8(a)-(c); and PCX Rules 6.82(e)-(f) and 11.10(c).

it will provide adequate staffing and an adequate capital commitment to handle the merged posts; and (c) whether the firm should relinquish some of its specialty stocks (or reallocate them among its remaining posts) to be able to handle the increased market making load as a precondition of effecting a post consolidation.⁴

The Exchange believes that the proposed guidelines take into account the types of information necessary for the EFTC to review when considering requests for consolidation of specialist posts. Specifically, in reviewing particular member firm applications that provide the relevant information, the EFTC will be in a position to determine whether, after a post consolidation, a given specialist firm will have the resources necessary to fulfill its market making responsibilities, to make deep and liquid markets, and to provide timely executions of customer orders.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)⁵ of the Act, in general, and furthers the objectives of Section 6(b)(5),⁶ in particular, because it is designed to facilitate transactions in securities, promote just and equitable principles of trade, and 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

Written comments on the proposed rule change were neither solicited nor received.

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

The foregoing rule change is concerned solely with the administration of the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A)(iii)⁷ of the Act and subparagraph (e)(3) of Rule 19b-4

⁴ The Exchange intends to disseminate a Regulatory Bulletin to notify its Members and Member firms of these new guidelines.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(5).

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

under the Act.⁸ 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.⁹

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. 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 PCX.

All submissions should refer to File No. SR-PCX-98-46 and should be submitted by October 15, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. 98-25490 Filed 9-23-98; 8:45 am]
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SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9992]

State of Alaska

The Boroughs of Bristol Bay and Lake and Peninsula, and the Regional Education Attendance Areas of Lower Yukon (3), Lower Kuskokwim (4), Southwest Region (6), Iditarod (11), Yukon/Koyukuk (12), Yukon Flats (13), Alaska Gateway (16), Kashunamiut (22), and Yupiit (23), as well as the

contiguous Boroughs of Aleutians East, Denali, Fairbanks North Star, Kenai Peninsula, Kodiak Island, Matanuska Susitna, North Slope and Northwest Arctic, and the contiguous Regional Education Attendance Areas of Bering Straits (2), Kuspuk (5), Delta/Greely (15), and Copper River (17 constitute an economic injury disaster area due to the effects of the warm water current known as El Nino beginning in May of 1997. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance for this disaster until the close of business on June 17, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 4 Office, P. O. Box 13795, Sacramento, CA 95853-4795.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

(Catalog of Federal Domestic Assistance Program No. 59002.)

Dated: September 17, 1998.

Aida Alvarez,
Administrator.

[FR Doc. 98-25501 Filed 9-23-98; 8:45 am]
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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3127]

State of Florida

As a result of the President's major disaster declaration on September 4, 1998, and an amendment thereto on the same date, I find that Bay, Dixie, Franklin, Gulf, Taylor, and Wakulla Counties in the State of Florida constitute a disaster area due to damages caused by Hurricane Earl which occurred on September 3, 1998. Applications for loans for physical damages as a result of this disaster may be filed until the close of business on November 3, 1998, and for loans for economic injury until the close of business on June 4, 1999 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

In addition, applications for economic injury loans from small businesses located in the following contiguous counties in the State of Florida may be filed until the specified date at the above location: Calhoun, Gilchrist, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Walton, and Washington.

The interest rates are:

	Percent
Physical Damage:	
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	6.875
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.437%
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	7.125
For Economic Injury:	
BUSINESSES AND SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000

The number assigned to this disaster for physical damage is 312708, and for economic injury the number is 998700.

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

Dated: September 10, 1998.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3129]

State of Maine

Cumberland County and the contiguous Counties of Androscoggin, Oxford, Sagadahoc and York constitute a disaster area as a result of damages caused by thunderstorms that occurred on August 24 and 25, 1998. Applications for loans for physical damage may be filed until the close of business on November 12, 1998 and for economic injury until the close of business on June 11, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 1 Office, 360 Rainbow Boulevard South, 3rd Floor, Niagara Falls, NY 14303

The interest rates are:

	Percent
For Physical Damage:	
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	6.875
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.437

⁸ 17 CFR 240.19b-4(e)(3).

⁹ In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁰ 17 CFR 200.30-3(a)(12).