

by a much more circuitous route. With the current competition in the marketplace, the Exchange believes that by providing the cross-only contingency more firms will want to bring business to the CBOE, since the firm will have the ability to take the order elsewhere if the crowd does not allow the cross.

Although Exchange Rules currently allow a similar result as the cross-only contingency, it is much more cumbersome. The proposed rule changes provide that the broker may make the crowd aware in advance of the amount of contracts the broker wishes to cross; the price at which the cross would take place, at or between the quoted prices; and if the crowd bars the cross from taking place, the member may withdraw the orders. As the Rules stand currently, a broker does not disclose in advance that he is holding two orders to cross; the broker must bid above the highest bid or offer below the lowest offer in the open market; if the bid or offer is not taken by the crowd, then the broker may cross at the higher bid or lower offer. Thus, the difference in result between the proposed Rule and the current Rule is not substantial; however it is a much quicker result since the broker will know immediately whether the trading crowd will allow the cross to take place, and the member placing the order may withdraw the order if the cross is not allowed by the crowd.

The Exchange believes that this rule change is for the benefit of the public customer and expedites Exchange processes.

2. Statutory Basis

By permitting a broker to represent a cross-only contingency, the proposed rule change is consistent with Section 6(b) of the Act in general and further the objectives of Section 6(b)(5)³ in particular in that it is designed to promote just and equitable principles of trade, enhance competition and to protect investors and the public interest.

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

The CBOE 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

No written comments were solicited or received with respect to 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 such 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. In particular, the Commission seeks comment on whether the proposed rule change will result in fair executions for the various orders and parties represented in the crossing transaction.⁴ Also, commenters are requested to provide their views on this rule revision in light of the proposed rule change contained in SR-CBOE-99-10, relating to participation rights for firms crossing orders.⁵ Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20549-0609. Copies of the submissions, 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. Copies of the filing will also be available for inspection and copying at the principal offices of the CBOE. All submissions should refer to File No. SR-CBOE-99-07 and should be submitted by August 6, 1999.

⁴ The Exchange submitted a letter responding to several questions posed by the staff about the application of the proposed rule change. See Letter from Stephanie C. Mullins, Attorney, CBOE, to Nancy Sanow, Assistant Director, Division of Market Regulation, dated May 27, 1999.

⁵ Securities Exchange Act Release No. 41609 (July 8, 1999).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3193]

State of Alabama (Amendment #1)

The above-numbered declaration is being amended to extend the incident period for this disaster, which is hereby established as beginning on June 14 and continuing through June 30, 1999.

All other information remains the same, i.e., the deadline for filing applications for physical damage is August 20, 1999 and for economic injury the deadline is March 21, 2000.

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

Dated: July 6, 1999.

Fred P. Hochberg,
Acting Administrator.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3194]

State of Alabama

Madison County and the contiguous counties of Jackson, Limestone, Marshall, and Morgan in the State of Alabama, and Lincoln and Franklin Counties in the State of Tennessee constitute a disaster area as a result of damages caused by flash flooding that occurred June 14 through July 1, 1999. Applications for loans for physical damages may be filed until the close of business on Sept. 7, 1999 and for economic injury until the close of business on April 6, 2000 at the address listed below or other locally announced locations:

U.S. 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	6.875
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	3.437

⁶ 17 CFR 200.30-3(a)(12).

³ 15 U.S.C. 78f(b)(5).