

makers.<sup>13</sup> The Exchange believes that guaranteed participation would also give specialists the ability to attract order flow to the Exchange and provide its customers with tighter, more competitive markets. As a result, the Exchange would be able to attract new specialist units and retain the services of existing units.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)<sup>14</sup> of the Act in general and furthers the objectives of Section 6(b)(5)<sup>15</sup> of the Act in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The Amex 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 Exchange 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,

<sup>13</sup> See Chicago Board Options Exchange Rule 8.80; Pacific Exchange Rule 6.82; and Philadelphia Stock Exchange Rule 1014(g).

<sup>14</sup> 15 U.S.C. 78f(b).

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

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. Copies of the filing will also be available for inspection and copying at the principal offices of the Amex. All submissions should refer to File No. SR-Amex-00-30 and should be submitted by July 19, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>16</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 00-16305 Filed 6-27-00; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42973; File No. SR-Phlx-00-43]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Adopting Enhancements to the PACE Systems Automatic Price Improvement Feature

June 21, 2000.

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 12, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" 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.

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

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

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

The Phlx proposes to adopt a system change to the Exchange's Automatic Communication and Execution ("PACE") System Automatic Price Improvement ("API") feature and adopt Rule 229, Commentary .07(c)(i)(E) to provide specialists the ability to implement automatic price improvement to allow sell orders to improve to the last sale on an uptick and/or allow sell orders to improve to a price higher than the last sale ("Sell Order Enhancement features").

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

#### 1. Purpose

PACE is the Exchange's automated order routing and execution system on the equity trading floor. PACE accepts orders for automatic or manual execution in accordance with the provisions of Rule 229, which governs the PACE System and defines its parameters. The API features of the PACE System allows the specialist to voluntarily provide automatic price improvement to market and marketable limit orders to all customers in a security when the orders are 599 shares or less and the PACE quote<sup>3</sup> is 3/16 or 1/8 or greater.<sup>4</sup> When the API feature was first introduced, there were certain exceptions which prevented a sell order from being executed on the last sale if the last sale is an uptick and prevented a sell order from being executed at a price higher than the last sale.<sup>5</sup> In those situations, the order would be executed at the PACE quote.

The Exchange proposes to enhance the API feature to allow the specialist to voluntarily provide automatic price improvement to sell orders of a 100 shares or more, as determined by the specialist, in a particular security even when the sell order would be executed on the last sale and the last sale is an uptick ("Sell Order Enhancement I"). In addition, the Exchange also proposes to enhance the API feature to allow the specialist to voluntarily provide automatic price improvement to sell orders of 100 shares or more, as determined by the specialist, in a particular security when the improved

<sup>3</sup> The PACE quote means the best bid/ask quote among the American, Boston, Cincinnati, Chicago, Pacific, Philadelphia and New York Stock Exchanges. See Phlx rule 229.

<sup>4</sup> See Phlx Rule 229, Commentary .07(c)(i)

<sup>5</sup> See Phlx Rule 229, Commentary .07(c)(i)(A) and (B).

price would be higher than the last sale ("Sell Order Enhancement II"). The specialist may choose to provide either or both of the Sell Order Enhancement features on a symbol-by-symbol basis to all eligible orders for all customers.

The Sell Order Enhancement features will be disengaged when the API feature is disengaged in accordance with Rule 229, Commentary .07(c)(iii).<sup>6</sup> As with the API feature, specialists choosing to activate or deactivate either one or both Sell Order Enhancement features would be required to notify the Exchange one day prior to implementation. The change would be effective the next day in order to provide notice to the PACE users of the activation and make the necessary system changes.<sup>7</sup> The Exchange proposes Sell Order Enhancement features in order to provide automatic price improvement to orders that were previously excluded from price improvement.

## 2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5)<sup>9</sup> in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest by providing automatic price improvement to more equity orders which should in turn enhance the speed of execution for a larger number of orders as well as provide executions at better prices.

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

The Phlx represents that it does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance 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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)

of the Act<sup>10</sup> and Rule 19b-4(f)(5)<sup>11</sup> thereunder. The proposal effects a change in an existing order-entry or trading system of a self-regulatory organization that (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not have the effect of limiting the access to or availability of the system pursuant to Rule 229.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the proposed 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.

## 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. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-00-43 and should be submitted by July 19, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 00-16304 Filed 6-27-00; 8:45 am]

**BILLING CODE 8010-01-M**

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster #3255]

#### State of New Mexico; (Amendment #1)

In accordance with a notice from the Federal Emergency Management Agency, dated June 9, 2000, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on May 5, 2000 and continuing through June 9, 2000.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is July 12, 2000 and for economic injury the deadline is February 13, 2001.

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

Dated: June 14, 2000.

**Bernard Kulik,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 00-16254 Filed 6-27-00; 8:45 am]

**BILLING CODE 8025-01-U**

## DEPARTMENT OF STATE

### Bureau of Economic and Business Affairs Finding of No Significant Impact: City of Sumas, WA

[Public Notice 3344]

**AGENCY:** Department of State.

**ACTION:** Notice of a finding of no significant impact with regard to an application to construct, operate and maintain a pipeline to transport water across the U.S.-Canada border.

**SUMMARY:** The Department of State has conducted an environmental assessment of the proposed construction by the City of Sumas, Washington, of a pipeline for the transport of water crossing the international boundary near the City of Sumas, Washington. This information may be viewed upon request in the Office of International Energy and Commodity Policy at the Department of State.

Based on this information, the Department of State has concluded that issuance of a Presidential Permit authorizing construction of the pipeline will not have a significant effect on the existing vegetation and wildlife, water resources, land use, air quality and human population within the United States. In reaching this conclusion, the Department of State considered several alternatives, including a no-action alternative.

<sup>6</sup> See Phlx Rule 229, Commentary .07(c)(iii)

<sup>7</sup> See Securities Exchange Act Release No. 39548 (January 13, 1998), 63 FR 3595 (January 23, 1998).

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(5).

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