

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-00-90 and should be submitted by January 5, 2001.

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

After careful consideration, the Commission finds that the proposal, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁸ which requires that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Commission notes that it has previously approved similar listing standards for equity linked products.⁹ The proposed rule change will permit the Exchange to list and trade BLNs, thereby providing investors with an additional marketplace in which to trade these products. Thus, the proposal should bring increased efficiency, price competition, and greater liquidity to the markets for these products. The Commission believes that this proposal is also consistent with Section 6(b)(5) of the Act¹⁰ because requiring each of the underlying securities linked to the BLNs to meet the established listing standards should strengthen the integrity of the

security and reduce the susceptibility of BLNs to manipulation.¹¹

The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice thereof in the **Federal Register**. As noted above, the listing requirements for these instruments will be substantially similar to those of the Amex, which the Commission approved in the past.¹² The proposal thus concerns issues that already have been the subject of a full comment period pursuant to Section 19(b) of the Act.¹³ The Commission does not believe that the proposed rule change raises novel regulatory issues that have not been addressed already. Therefore, the Commission finds good cause for approving the proposed rule change on an accelerated basis.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the proposed rule change (SR-Phlx-00-90), as amended, is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43696; File No. SR-PHLX-00-99]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Establishing Two Systems Changes and Corresponding Fees to Members and Member Organizations for Receiving Certain Equity Information on a Real-Time Basis

December 8, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and rule 19b-4 thereunder,² notice is hereby given that on November 30, 2000, the Philadelphia Stock Exchange, Inc ("Phlx" or "Exchange") filed with the Securities and Exchange

¹¹ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹² See *supra* note 4.

¹³ 15 U.S.C. 78s(b).

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Commission ("Commission" or "SEC") 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 Phlx proposes to effect a systems change and amend its schedule of dues, fees and charges to impose a \$.10 per trade off-Exchange information fee for Phlx equity specialist units utilizing an enhancement to the Phlx electronic equity system, the Phlx Automated Communication and Execution ("PACE") System,³ that provides equity specialists on the floor with real-time trade information respecting Super Designated Order Turnaround ("Super Dot") transactions in New York Stock Exchange, Inc. ("NYSE") securities.⁴

In addition, Phlx proposes to effect a systems change and amend its schedule of dues, fees and charges to impose a \$300 per month remote information access fee on members and member organizations utilizing another enhancement to the PACE System that provides real-time trade information respecting trading positions to a remote access terminal.

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 Phlx 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. The Phlx 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 the proposed rule change is to effect a systems change and amend the Phlx's fee schedule to impose a \$.10 per trade off-Exchange trade information fee and a \$300 per month remote information access fee for Phlx specialist units, who choose to

³ See Phlx Rule 229.

⁴ SuperDot is an order routing system of the NYSE.

⁸ 15 U.S.C. 78f(b)(5).

⁹ See *supra* note 4.

¹⁰ 15 U.S.C. 78f(b)(5).

utilize respective enhancements to the PACE System. These fees address the cost of, and demand for, these new interfaces, which offer important new risk management tools to Phlx specialists.

\$.10 Per Trade Off-Exchange Trade Information Fee. The first of the new enhancements provides certain real-time positions to Phlx specialist units. Specifically, it enhances the Exchange's proprietary risk management systems by allowing Phlx specialist units to obtain more complete data reflecting real-time positions for their respective trading accounts for DOT transactions by means of a real-time interface with the PACE System. The enhancement incorporates DOT trades on a real-time basis into the Phlx specialist unit's position reports, which are displayed electronically via the PACE System. This feature, including the interface, is voluntary.

The proposed fee is being instituted to defray costs of establishing real-time DOT interfaces with various member organizations, providing trade information to Phlx specialist units as well as to cover costs of maintenance and operation.⁵ The real-time interface should contribute to enhancing the Phlx specialist unit's ability to track trading account positions by allowing more complete, time-sensitive position reports to be developed reflecting DOT transactions.

\$.300 Per Month Remote Information Access Fee. The second of the new enhancements allows specialist units to view trading positions from a remote access terminal off the trading floor. The new feature provides real-time positions to the off-floor (or "upstairs") offices of Phlx specialist units via a PACE System dial-up connection. This enhancement will enable the upstairs office of the Phlx specialist units access to data reflecting real-time positions for their respective trading accounts with specific detail, including the security, the last sale of that security, the profit or loss of the position, and a total long and/or short dollar value. This enhancement incorporates trades on a real-time basis into the specialist unit's position reports, which are displayed electronically at a remote access terminal via a dial-up connection. This

⁵ As originally filed, the purpose section stated that the enhancement provided execution services to Phlx specialist units. The Exchange has clarified that the enhancement does not provide execution services to Phlx specialist units. Instead, the enhancement only provides trade information to Phlx specialist units, which the specialist units may then use as they see fit. As per telephone conversation between John Dayton, Assistant Secretary and Counsel, Phlx, and Heather Traeger, Attorney, SEC, Division of Market Regulation, on December 7, 2000.

feature, which is voluntary,⁶ is a means for off-floor principals of Phlx specialist units to gauge their unit's risk exposure.

The proposed fee is being instituted to defray the costs of and demand for this risk management report as well as maintenance and operation of the dial-up connection service. The Exchange is choosing to charge a flat monthly fee for this service. The Exchange believes that a flat monthly fee is appropriate as the fee for the remote access feature reflects the cost of creating and maintaining a dial-up connection with the off-floor offices of the specialist. Information transmitted through this dial-up connection is substantially similar to the information currently received by the specialist unit on the floor of the Exchange. The remote access feature should contribute to enhancing the upstairs office's ability to track trading account positions by allowing more complete, time-sensitive position reports to be viewed by a principals of specialist units from off the floor.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(4) and (6)(5) of the Act⁷ in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities and promotes just and equitable principles of trade.

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.

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 Action

The foregoing rule change, which (1) establishes or changes a due, fee, or other charge imposed by the Exchange and (2) effects a change in an existing order-entry or trading system of the Exchange that (i) does not significantly affect the protection of investors of 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

⁶ The Phlx confirmed that this feature is voluntary. *Id.*

⁷ 15 U.S.C. 78f(b)(4) and (b)(5).

system, has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and subparagraph (f)(2) and (f)(5) of Rule 19b-4 thereunder.⁹ 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.

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, N.W., Washington, D.C. 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 at the Commission's Public Reference Room. 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-00-99 and should be submitted by January 5, 2001.

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

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3304]

State of Michigan; Amendment #2

In accordance with information received from the Federal Emergency Management Agency, dated December 1, 2000, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to December 18, 2000.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(2) and (f)(5).

¹⁰ 17 CFR 240.30-2(a)(12).