

all instances where ABP is not operational.

### III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>10</sup> In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,<sup>11</sup> which requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market, and to protect investors and the public interest.

Under the proposal, in those options classes where ABP is in place, if an incoming RAES order is larger than the booked order establishing the Exchange's best price, the RAES order would be executed against the booked order. The remainder of the RAES order no longer would be executed in its entirety at the book price against market-makers participating on RAES. Rather, only the amount of that order up to the Book Price Commitment Quantity would be executed in this manner. Thereafter, if any portion of the RAES order remains unfilled, the balance of the order will be executed at the next prevailing bid or offer, *i.e.*, the book price or the Autoquote price. If the Autoquote system is not in effect, the remainder of the RAES order would be routed to the crowd PAR terminal for execution, whether against the book or competing members of the trading crowd.

The Commission notes that the proposed rule change would continue to permit limit orders in the Exchange's book to trade against RAES orders. RAES orders, on the other hand, would be permitted to trade against orders in the book up to the applicable book size, and thereafter up to the new Book Price Commitment Quantity at the book price, with market-makers participating on RAES taking the opposite side of such transactions. Any portion of the RAES order remaining thereafter would be executed at the best price available, whether from the book, Autoquote, or the trading crowd. In addition, CBOE will attach a "Book Indicator" to its disseminated quote to indicate to persons entering orders on RAES that their orders may be subject to a split-

price execution. Therefore, firms sending orders to RAES should have notice that the displayed quote may not be good for the full RAES-eligible size, and instead would be executed at the prevailing quote up to the Book Price Commitment Quantity only. The Commission finds that these procedures are consistent with the Act.

The Commission further finds that the proposed revisions to Interpretation .04 of Rule 6.8 are proper. These changes are meant to parallel the above-described modifications to the ABP system in options classes where ABP has not been implemented. The Commission further believes that the CBOE's proposal to extend the application of Interpretation and Policy .04 to situations where ABP is not operational, such as in the case of a fast market or an operational failure, is also proper. The procedures to be employed, as outlined above, would thus be applied to all classes of options, whether ABP is in effect or not, thereby promoting uniformity of execution procedures in all classes of options.

Finally, the Commission finds good cause for approving Amendment No. 2 prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. In Amendment No. 2, the CBOE merely clarified the text of the proposed change to Interpretation and Policy .04, to reflect that where ABP is not in operation, the trading crowd is required to execute re-routed orders at the book price up to, and not in addition to, the Book Price Commitment Quantity. This confirms the Interpretation to the revised rule text. Therefore, the amendment did not substantively alter the proposal.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 2, including whether Amendment No. 2 is consistent with the Act. Persons making written submissions should be 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 CBOE. All submissions should refer to File No. SR-CBOE-00-21 and should be submitted by March 7, 2001.

### V. Conclusion

For the foregoing reasons, the Commission finds that CBOE's proposal to amend its rules governing the operation of its RAES system to provide for split-price executions under the Automatic Book Priority System, as amended, is consistent with the requirements of the Act and rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-CBOE-00-21), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-3683 Filed 2-13-01; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43931; File No. SR-Phlx-00-109]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Amending Eligibility to Impose Fees for Computer Equipment Services, Repairs or Replacements and Relocation of Computer Equipment on Foreign Currency Options Participants on the Currency Options Trading Floor, While Exempting Track Balls from Fee Schedule Coverage

February 6, 2001.

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 January 2, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("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

<sup>10</sup> In approving this proposal, the Commission has considered the proposed rule's impact on efficiently, competition, and capital formation. 15 U.S.C. 78(c)(f).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

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

proposed rule change from interested persons.

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

Phlx pursuant to Rule 19b-4 of the Act, proposes to adopt fees<sup>3</sup> for (1) computer equipment services, repairs or replacements on the Foreign Currency Options ("FCO") trading floor and (2) FCO participant-requested relocation of computer equipment.<sup>4</sup> Additionally, the Exchange proposes to exempt track ball repairs and replacements from the computer equipment services, repairs or replacements fees for both members and FCO participants.

The text of the proposed rule change is available at the Office of the Secretary, the PCX, and the Commission.

### **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 amend the Phlx's fee schedule for (1) FCO computer equipment services, repairs, or replacements and (2) FCO participant-requested relocation of computer equipment, while exempting track ball repairs or replacements from the computer equipment services, repairs and replacement fees.

First, the Exchange proposes to impose a fee on participants on the FCO trading floor for computer equipment services, repairs or replacements on the trading floors. Specifically, the Phlx will extend, to the foreign currency options

trading floor, charges currently imposed on members such that \$100 will be charged for every service call plus \$75 an hour, with a minimum of two hours charged per service call.<sup>5</sup> The Exchange staff anticipates that the majority of computer services, repairs or replacements will be completed within two hours. Participants will not be billed for computer equipment services, repairs or replacements when new or refurbished equipment fails in the normal and customary manner of usage within 30 days of installation. In addition, participants will not be charged for repairing system-wide problems, rebooting central processing units and adjusting cables or replacing certain extension cables.

These charges are intended to defray the cost of servicing, repairing or replacing computer equipment on the FCO trading floor, as well as to encourage care in using the computer equipment.<sup>6</sup> The Exchange receives a small percentage of calls for computer equipment services, repairs or replacements from participants on the FCO trading floor.<sup>7</sup>

Second, the Exchange proposes to adopt a fee substantially similar to that currently imposed on members for an FCO participant-requested relocation of a FCO participant's workstation or any other piece of their computer equipment on the FCO trading floor. The charges will consist of a \$100 service fee plus \$75 per hour per person moving the equipment, with a minimum of two hours charged for each relocation request.<sup>8</sup>

The post/equipment relocation fee should assist in defraying the costs associated with the moving of computer equipment. FCO participant-requested relocations on the trading floor are very time-consuming and costly because nearly all relocations take place after business hours or on the weekends.

At this time, Exchange staff and members trading floor personnel should complete a pre-printed form prior to requesting repair or relocation service.

<sup>5</sup> Some component of this amount may reflect Pennsylvania sales tax.

<sup>6</sup> This proposed fee will apply to all such requests with no distinction between intentional abuse or normal wear and tear due to the difficulties associated with categorizing the types of repairs.

<sup>7</sup> The majority of calls are from members on equity trading floors. The lower percentage, of FCO repair requests is due to the relatively small number of computers and computer related equipment in use on the FCO trading floor as compared to the options and equity trading floors.

<sup>8</sup> For example, if two individuals take two hours to relocate a work station, the member will be charged \$100 for the service call, plus \$300 for moving the equipment (\$75 × four (two people × two hours)). Again, some component of this amount may reflect Pennsylvania sales tax.

A notice describing the equipment repair procedures was sent to all floor members prior to the implementation of the fee on equity and options floor members, and notice will be given to FCO participants as well.

Under the current fee that is applied to members on equity and options trading floor, the Exchange staff had the opportunity to review the procedures relating to computer equipment services, repairs, replacements and relocations, which include instructions to members and Exchange staff as to where the service request forms will be located, directions as to how to complete the form, and which department is required to forward the forms to the accounting department. The procedures also include a provision that states that members will not be billed for computer equipment services, repairs or replacements when new or refurbished equipment fails in the normal and customary usage within 30 days of installation. These same procedures will now be followed for computer-related requests received from FCO participants. The procedures described above have proven to be an effective way to administer these requests, including the billing of fees, and should continue to allow for the efficient handling of computer equipment services, repairs or replacement and member/participant requested relocation of computer equipment while exempting repairs and replacements of track ball equipment. The Exchange has determined to exempt repairs and/or replacements for track ball devices from the computer equipment service fees as regular and recurring maintenance of these essential peripheral devices is necessary in the ordinary course of business operations.

The Exchange has determined that the fees for computer equipment services, repairs or replacements (exempting track ball equipment) and relocation of computer equipment that are charged are appropriate and reflect the costs for these services that are incurred by the Exchange. The minimum charge of \$250 per service call for computer equipment services, repairs, replacements or relocations reasonably approximates the average costs for these services. However, the minimum charge may not cover all the costs involved in repairing, servicing and relocating computer equipment. Members and FCO participants will continue to be billed on a monthly basis for these charges.

##### **2. Statutory Basis**

The Exchange believes that its proposal to amend its schedule of dues, fees and charges to impose a fee for

<sup>3</sup> Currently, all members on the Exchange's options and equity members on the options and equity trading floors pay a fee for (1) computer equipment services, repairs, or replacements and (2) member-requested relocation of computer equipment. See Securities Exchange Act Release No. 43081 (SR-Phlx-00-53) (July 27, 2000).

<sup>4</sup> A fee will not be charged for new installation of computer equipment.

computer equipment services, repairs or replacements (while exempting track ball equipment repairs or replacements) and a fee for member/participant-requested relocation of computer equipment is consistent with Section 6(b)<sup>9</sup> of the Act, in general, and Section 6(b)(4) of the Act,<sup>10</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

#### *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*

Written comments were neither solicited nor received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A)<sup>11</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>12</sup> thereunder. 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-00-109 and should be submitted by March 7, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-3682 Filed 2-13-01; 8:45 am]

**BILLING CODE 8010-01-M**

---

### SMALL BUSINESS ADMINISTRATION

#### **Future Value Ventures, Inc. License No. 05/05-5198; Notice of Surrender of License**

Notice is hereby given that Future Value Ventures, Inc., 2745 N. Martin L. King Drive, Milwaukee, Wisconsin 53212, has surrendered their license to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (the Act). Future Value Ventures, Inc. was licensed by Small Business Administration on November 9, 1984.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrender was accepted on this date, and accordingly, all rights, privileges, and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.11, Small Business Investment Companies)

Dated: January 30, 2001.

**Harry Haskins,**

*Acting Associate Administrator for Investment.*

[FR Doc. 01-3405 Filed 2-13-01; 8:45 am]

**BILLING CODE 8025-01-P**

---

### DEPARTMENT OF STATE

#### **[Public Notice 3574]**

#### **Culturally Significant Objects Imported for Exhibition Determinations: "Kandinsky and Abstraction in Russia"**

**AGENCY:** United States Department of State.

**ACTION:** Notice

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985, 22 U.S.C. 2459), the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236 of October 19, 1999, as amended, I hereby determine that the objects to be included in the exhibition "Kandinsky and Abstraction in Russia," imported from abroad for the temporary exhibition without profit within the United States, are of cultural significance. The objects are imported pursuant to a loan agreement with the foreign lender. I also determine that the exhibition or display of the exhibit objects at the Museo de Arte de Puerto Rico, San Juan, Puerto Rico, from on or about March 3, 2001 to on or about May 14, 2001, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Carol Epstein, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: 202/619-6981). The address is U.S. Department of State, SA-44, 301 4th Street, S.W., Room 700, Washington, D.C. 20547-0001.

Dated: February 8, 2001.

**Helena Kane Finn,**

*Acting Assistant Secretary for Educational and Cultural Affairs, United States Department of State.*

[FR Doc. 01-3861 Filed 2-13-01; 8:45 am]

**BILLING CODE 4710-08-P**

---

### STATE JUSTICE INSTITUTE

#### **Sunshine Act Meeting**

**DATE:** Friday, March 2, 2001, 9 a.m.-5 p.m.

**PLACE:** 1650 King Street, Suite 600, Alexandria, VA 22314.

#### **MATTERS TO BE CONSIDERED:**

Consideration of proposals submitted for Institute funding and internal Institute business.

#### **PORTIONS OPEN TO THE PUBLIC:**

Consideration of proposals submitted for Institute funding.

#### **PORTIONS CLOSED TO THE PUBLIC:**

Discussion of internal personnel matters.

**CONTACT PERSON:** David Tevelin, Executive Director, State Justice

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

<sup>10</sup> 15 U.S.C. 78f(b)(4).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).