

to clarify Nasdaq's authority to initiate and continue trading halts in circumstances where Nasdaq believes that extraordinary market activity in a security listed on Nasdaq may be caused by the misuse or malfunction of an electronic quotation, communication, reporting, or execution system operated by, or linked to, Nasdaq.⁶ On July 27, 2001, Nasdaq filed Amendment No. 1 to the proposed rule change, which requested that the Commission approve the proposed rule change on a three-month pilot basis expiring on October 27, 2001.⁷ Also on July 27, 2001, the Commission approved the proposed rule change and Amendment No. 1⁸ after finding that the proposed rule change was consistent with the requirements of the Act, including Section 15A of the Act.⁹

As a result of the decentralized and electronic nature of the market operated by Nasdaq, the price and volume of transactions in a Nasdaq-listed security may be affected by the misuse or malfunction of electronic systems, including systems that are linked to, but not operated by, Nasdaq. In circumstances where misuse or malfunction results in extraordinary market activity, Nasdaq believes that it may be appropriate to halt trading in an affected security until the system problem can be rectified. In the period during which the rule change has been in effect, Nasdaq has not had occasion to initiate a trading halt under the rule. Nevertheless, Nasdaq believes that the rule is an important component of its authority to maintain the fairness and orderly structure of the Nasdaq market. Accordingly, Nasdaq believes the rule should remain in effect on an uninterrupted basis.

2. Statutory Basis

As the Commission found in its order approving the proposed rule change on a pilot basis, the proposed rule change is consistent with the provisions of Section 15A of the Act, which requires, among other things, that a registered national securities association's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The

Commission found that the proposed rule change will provide Nasdaq with clearer authority to respond to and alleviate market disruptions and thereby protect investors and the public interest.

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

Nasdaq believes that the proposed rule change will impose no 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 were neither solicited nor received.

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

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ 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.

Nasdaq has requested that the Commission accelerate the operative date. The Commission finds good cause to waive the 30-day operative waiting period, because such designation is consistent with the protection of investors and the public interest. Acceleration of the operative date will allow the pilot to operate through January 27, 2002 without interruption. For these reasons, the Commission finds good cause to waive both the 5-day pre-filing requirement and the 30-day operative waiting period.¹²

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submission 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 NASD. All submissions should refer to file number SR-NASD-2001-60 and should be submitted by October 25, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3364]

State of New York; (Amendment #1)

In accordance with a notice received from the Federal Emergency Management Agency, dated September 27, 2001, the above numbered declaration is hereby amended to include Delaware, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster and Westchester Counties in the State of New York due to damages caused by explosions and fires at the World Trade Center which occurred on September 11, 2001.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Broome, Chenango, Columbia, Greene, Otsego and Schoharie in the State of New York; Fairfield and Litchfield Counties in the State of Connecticut; Berkshire County in the State of Massachusetts; Passaic and Sussex Counties in the State of New Jersey; and Pike and Wayne Counties in the State of Pennsylvania. All other

⁶ Securities Exchange Act Release No. 44307 (May 15, 2001), 66 FR 28209 (May 22, 2001)(SR-NASD-2001-37)

⁷ July 27, 2001 letter from Thomas P. Moran, Associate General Counsel, Nasdaq, to Alton Harvey, Division of Market Regulation, Commission.

⁸ Securities Exchange Act Release No. 44609 (July 27, 2001), 66 FR 40761 (August 3, 2001) SR-NASD-2001-37).

⁹ 15 U.S.C. 78o-3.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹³ 17 CFR 200.30-3(a)(12).

contiguous counties have been previously declared.

The economic injury numbers assigned are 9M8700 for Connecticut; 9M8800 for Massachusetts; and 9M8900 for Pennsylvania.

All other information remains the same, i.e., the deadline for filing applications for physical damage is November 10, 2001, and for economic injury June 11, 2002.

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

Dated: September 28, 2001.

James E. Rivera,

Acting Associate Administrator for Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3366]

Commonwealth of Virginia; Corrected Copy

As a result of the President's major disaster declaration on September 21, 2001, I find that Arlington County in the Commonwealth of Virginia constitutes a disaster area due to damages caused by explosions and fires occurring on September 11, 2001. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on November 21, 2001 and for economic injury until the close of business on June 21, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Fl., Niagara Falls, NY 14303-1192.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Fairfax County and the Independent Cities of Alexandria and Falls Church in the Commonwealth of Virginia; the District of Columbia; and Montgomery County in the State of Maryland.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	6.750
Homeowners without credit available elsewhere	3.375
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000

	Percent
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 336604. For economic injury the number is 9M8300 for Virginia; 9M8400 for the District of Columbia; and 9M8500 for Maryland.

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

Dated: September 28, 2001.

James E. Rivera,

Acting Associate Administrator for Disaster Assistance.

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DEPARTMENT OF STATE

[Public Notice 3794]

Determination Regarding Export-Import Bank Financing of Certain Defense Articles and Services for the Government of Venezuela

Pursuant to section 2(b)(6) of the Export-Import Bank Act of 1945, as amended, Executive Order 11958 of January 18, 1977, as amended by Executive Order 12680 of July 5, 1989, and State Department Delegation of Authority No. 245 of April 23, 2001, I hereby determine that:

(1) The defense articles and services for which the Government of Venezuela has requested Export-Import Bank (Ex-Im) financing, air conditioning equipment and diesel engines for the modification of four armed Landing Ship, Tank (LST) vessels as part of an ongoing planned modification and upgrading of the vessels, are being sold primarily for anti-narcotics purposes.

(2) The sale of such defense articles and services is in the national interest of the United States.

(3) The requirements for a determination that the Government of Venezuela has complied with all U.S.-imposed end-use restrictions on the use of defense articles and services previously financed under the Act is inapplicable at this time because the four previous transactions have not been completed. Specifically, although Ex-Im has approved financing in connection with the refurbishment of 12 OV-10 aircraft, the refurbishment has not been completed; two 150-foot logistic support

vessels sold with Ex-Im financing have not been delivered; parts financed by Ex-Im for the modification of four frigates have not been installed; and reverse osmosis water purification equipment for the four LSTs has not yet been delivered or installed.

(4) The requirement for a determination that the Government of Venezuela has not used defense articles or services previously provided under the Act to engage in a consistent pattern of gross violations of internationally recognized human rights is also inapplicable at this time. As stated above, Ex-Im financing has been used in connection with four defense articles or services transactions involving the Government of Venezuela. One transaction involves the refurbishment of aircraft, the second the delivery of two vessels, the third the modification of four frigates, and a fourth the modification of four LSTs, none of which has been completed.

This determination shall be reported to Congress and shall be published in the **Federal Register**.

Dated: June 19, 2001.

Richard L. Armitage,

Deputy Secretary of State, U.S. Department of State.

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DEPARTMENT OF STATE

[Public Notice 3792]

Bureau of Educational and Cultural Affairs Request for Grant Proposals: the FREEDOM Support Act/Future Leaders Exchange (FSA/FLEX) Program: Host Family and School Placement

NOTICE: Request for Grant Proposals.

SUMMARY: The Youth Programs Division of the Bureau of Educational and Cultural Affairs announces an open competition for the placement component of the FREEDOM Support Act/Future Leaders Exchange (FSA/FLEX) program. Public and private non-profit organizations meeting the provisions described in IRS regulation 26 CFR 1.501(c) may submit proposals to recruit and select host families and schools for high school students between the ages of 15 and 17 from the New Independent States (NIS) of the former Soviet Union. In addition to identifying schools and screening, selecting, and orienting families, organizations will be responsible for: orienting students at the local level; providing support services for students; arranging enhancement activities that