

requirement respecting ROTs.¹² Furthermore, an ROT's clearing firm performs risk management functions to ensure that the ROT has sufficient financial resources to cover positions throughout the day. In this regard, the function includes real-time monitoring of positions. The Exchange believes that clearing firm procedures address the issue of whether an ROT has the financial capability to support trading of options orders as large as 250 contracts.

The Exchange believes that the increase in order size eligibility for AUTO-X orders should provide customers with quicker executions for a larger number of orders, by providing automatic rather than manual executions, thereby reducing the number of orders subject to manual processing. The Exchange also believes that increasing the AUTO-X maximum order size should not impose a significant burden on operation or capacity of the AUTOM System and will give the Exchange better means of competing with other options exchanges for order flow.

The Exchange represents that it will issue a circular to members and member organizations advising them of the increased maximum AUTO-X guarantee. The Exchange also represents that it posts AUTO-X guarantees on its web site on an issue-by-issue basis.

2. Statutory Basis

The Exchange believes the proposed rule change, as amended, is consistent with section 6(b) of the Act¹³ in general, and furthers the objectives of section 6(b)(5) of the Act¹⁴ in particular, because it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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 enhancing efficiency by providing automatic executions to a larger number of options orders.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition that is not necessary 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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change, as amended: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to section 19(b)(3)(A)¹⁵ of the Act and Rule 19b-4(f)(6)¹⁶ thereunder.¹⁷

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Phlx seeks to have the proposed rule change, as amended, become operative immediately in order to remain competitive with other exchanges with similar rules in effect.¹⁸

The Commission, consistent with the protection of investors and the public interest, has determined to make the proposed rule change, as amended, operative immediately upon filing as of April 19, 2002, to allow the Phlx to compete with other options exchanges that currently have a maximum automatic execution eligibility limit of 250 contracts.¹⁹ 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.²⁰

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-2002-25 and should be submitted by June 5, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²¹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-12117 Filed 5-14-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3415]

Commonwealth of Kentucky

As a result of the President's major disaster declaration on May 7, 2002, I find that Breckinridge, Crittenden, Grayson, Hancock, Hardin, Henderson, Hopkins, McLean, Meade, Ohio, Union and Webster Counties in the Commonwealth of Kentucky constitute a disaster area due to damages caused by severe storms, tornadoes and flooding occurring on April 27, 2002 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on July 6, 2002 and for economic injury until the close of

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date or such shorter period as designated by the Commission.

¹⁸ See *supra* note 8.

¹⁹ 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).

²⁰ See section 19(b)(3)(C) of the Act, 15 U.S.C. 78(b)(3)(C). For purposes of calculating the 60 day abrogation period, the Commission considers the period to commence on April 25, 2002, the date that the Exchange filed Amendment No. 1.

²¹ 17 CFR 200.30-3(a)(12).

¹² See Phlx Rule 703.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

business on February 7, 2003 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.

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: Bullitt, Butler, Caldwell, Christian, Daviess, Edmonson, Hart, Larue, Livingston, Lyon, Muhlenberg and Nelson in the Commonwealth of Kentucky; Gallatin and Hardin Counties in the State of Illinois; Crawford, Harrison, Perry, Posey, Spencer, Vanderburgh and Warrick Counties in the State of Indiana.

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	7.000
Businesses and non-profit organizations without credit available elsewhere	3.500
Others (including non-profit organizations) with credit available elsewhere	6.375
For Economic Injury: Businesses and small agricultural cooperatives without credit available elsewhere	3.500

The number assigned to this disaster for physical damage is 341511. For economic injury the number is 9P5800 for Kentucky; 9P5900 for Illinois; and 9P6000 for Indiana. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: May 8, 2002.

Herbert L. Mitchell,

Associate Administrator, For Disaster Assistance.

[FR Doc. 02-12074 Filed 5-14-02; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3411]

State of Tennessee

Rutherford County and the contiguous Counties of Bedford, Cannon, Coffee, Davidson, Marshall, Williamson and Wilson in the State of Tennessee constitute a disaster area due to damages caused by a tornado, high wind and heavy rains that occurred on April 28, 2002. Applications for loans for

physical damage may be filed until the close of business on July 8, 2002 and for economic injury until the close of business on February 10, 2003 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	6.750
Homeowners without credit available elsewhere	3.375
Businesses with credit available elsewhere	7.000
Businesses and non-profit organizations without credit available elsewhere	3.500
Others (including non-profit organizations) with credit available elsewhere	6.375
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	3.500

The number assigned to this disaster for physical damage is 341112 and for economic injury the number is 9P5400.

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

Dated: May 8, 2002.

Hector V. Barreto,

Administrator.

[FR Doc. 02-12130 Filed 5-14-02; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3412]

State of Texas; Disaster Loan Areas

Shackelford County and the contiguous counties of Callahan, Eastland, Haskell, Jones, Stephens, Taylor and Throckmorton in the State of Texas constitute a disaster area as a result of damages caused by excessive rain, flash flooding and hail that occurred on April 25, 2002.

Applications for loans for physical damage may be filed until the close of business on July 8, 2002, and for economic injury until the close of business on February 10, 2003, at the address listed below or other locally announced locations:

U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Ft. Worth, TX 76155.

The interest rates are:

For Physical Damage:

Homeowners with credit available elsewhere, 6.750%.

Homeowners without credit available elsewhere, 3.375%.

Businesses with credit available elsewhere, 7.000%.

Businesses and non-profit organizations without credit available elsewhere, 3.500%.

Others (including non-profit organizations) with credit available elsewhere, 6.375%.

For Economic Injury

Businesses and small agricultural cooperatives without credit available elsewhere, 3.500%.

The numbers assigned to this disaster are 341211 for physical damage and 9P5500 for economic injury.

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

Dated: May 8, 2002.

Hector V. Barreto,

Administrator.

[FR Doc. 02-12129 Filed 5-14-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

Region III Regulatory Fairness Board; Public Federal Regulatory Enforcement Fairness Hearing

The Small Business Administration Region III Regulatory Fairness Board and the SBA Office of the National Ombudsman will hold a Public Hearing on Monday, June 10, 2002 at 1:30 p.m. at the J. Sargeant Reynolds Community North Run Corporate Center, 1630 East Parham Road, North Run Business Park, Richmond, Virginia 23228, to receive comments and testimony from small business owners, small government entities, and small non-profit organizations concerning regulatory enforcement and compliance actions taken by federal agencies.

Anyone wishing to attend or to make a presentation must contact Lucy Gardner Davis in writing or by fax, in order to be put on the agenda. Lucy Gardner Davis, U.S. Small Business Administration, Richmond District Office, 400 North 8th Street, Federal Building, Suite 1150, P.O. Box 10126, Richmond, VA 23240, phone (804) 771-2400 ext. 145, fax (804) 771-2580, e-mail lucy.davis@sba.gov.

For more information, see our Web site at www.sba.gov/ombudsman.

Dated: May 8, 2002.

Michael L. Barrera,

National Ombudsman.

[FR Doc. 02-12073 Filed 5-14-02; 8:45 am]

BILLING CODE 8025-01-P