

to 20 seconds the time period a member must wait for a response to a Linkage order. If the member does not receive the response within 30 seconds, the member would be permitted to trade through the non-responding exchange without liability.

2. In addition, this rule reflects a pending Plan amendment that would limit liability for trade-throughs in the last few minutes of a trading day to 10 contracts per exchange. The purpose of that amendment is to provide protection for small customer orders, but also to limit the potential risk to members who may not be able to hedge options positions they assume near the close of trading.

- Proposed Phlx Rule 1086, Locked and Crossed Markets: This proposed rule would implement section 7(a)(i)(C) of the Plan by indicating that locked and crossed markets should be avoided and providing procedures to unlock and uncross markets that do occur.

- Proposed Phlx Rule 1087, Limitation on Principal Order Access: This proposed rule would codify the "80/20 Test" contained in section 8(b)(iii) of the Plan. Specifically, a market maker on the Exchange would be restricted from sending Principal Orders (other than P/A orders, which reflect unexecuted customer orders) through the Linkage if the market maker effects less than 80 percent of specified order flow on the Exchange. The Exchange would apply this test on a calendar quarter basis.

2. Statutory Basis

The Exchange believes that the basis under the Act for this proposed rule change is the requirement under section 6(b)(5) of the Act⁷ that a national securities exchange have rules that are 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 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, and, in general, to protect investors and the public interest.

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

The Phlx does not believe that the proposed rule change will impose any inappropriate 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 either solicited or received.

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 or such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Phlx 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, 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-2002-67 and should be submitted by January 17, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3475]

Territory of Guam

As a result of the President's major disaster declaration for Public Assistance on December 8, 2002, and Amendment 1 adding Individual Assistance on December 19, 2002, I find that the Territory Of Guam constitutes a disaster area due to damages caused by Super Typhoon Pongsona occurring on December 8, 2002 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on February 18, 2003 and for economic injury until the close of business on September 19, 2003 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, PO Box 13795, Sacramento, CA 95853-4795.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	5.875
Homeowners without credit available elsewhere	2.937
Businesses with credit available elsewhere	6.648
Businesses and Non-profit Organizations without credit available elsewhere	3.324
Others (Including Non-Profit Organizations) with credit available elsewhere	5.500
For Economic Injury:	
Businesses and Small Agricultural Cooperatives without credit available elsewhere	3.324

The number assigned to this disaster for physical damage is 347508 and for economic injury the number is 9T6900. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008).

Dated: December 20, 2002.

Herbert L. Mitchell,

Associate Administrator, for Disaster Assistance.

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⁷ 15 U.S.C. 78f(b)(5).

⁸ 17 CFR 200.30-3(a)(12).