

the Code or the rules of the relevant market apply to the transaction. Finally, since the SEC's adoption of Rule 144A in 1991, members have inquired as to whether the Code is applicable to transactions in restricted securities.

In order to provide clarity on the applicability of the Code, NASD Regulation is proposing to amend the Code to expand the introductory language of paragraph (a) of Rule 11100 to state that:

(i) the application of the Code to secondary market transactions in securities includes the regulation of the "rights and liabilities of the members participating in the transaction";

(ii) the Code also applies to "those operational procedures that affect the day-to-day business of members";<sup>3</sup> and

(iii) the securities transactions covered by the Code include transactions in "restricted securities, as defined in Rule 144(a)(3) under the Securities Act of 1933."

As a result of this change, secondary market transactions in restricted securities that are not in a depository will be required to comply with the Code's operational procedures. In this connection, NASD Regulation is also clarifying the securities sold offshore pursuant to the exemption from registration provided by Regulation S are considered to be subject to the requirements of the Code when those securities are traded in the U.S. after the expiration of the restricted period. It is not believed any change to the Code is necessary with respect to this clarification, as the Code clearly applies to all registered and unregistered secondary securities market transactions between members, which would include securities formerly sold in a Regulation S transaction.

In addition, NASD Regulation is proposing to amend subparagraph (a)(1) of Rule 11100 to clarify that the exception for transactions in securities between members that are compared, cleared or settled through the facilities of a registered clearing agency does not apply where the rules of the clearing agency provide that the rules of other organizations shall apply.

NASD Regulation believes that these changes will make clear the broad scope and applicability of the Code and permit members to look to the Code for guidance regarding transactions settled through a clearing agency, where the

clearing agency has adopted a rule directing that the rules of the governing market apply to the transaction.

(b) NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>4</sup> in that the proposed rule change clarifies the application of the Uniform Practice Code to establishing the liabilities of parties to a transaction, to restricted securities, to the operational procedures that affect the day-to-day business of members, and to transactions settled through a clearing agency where the rules of the clearing agency direct that the rules of the governing market apply to the transaction. NASD Regulation believes the proposed rule change is consistent with the Association's obligations to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities and, in general, in the public interest.

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

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

#### *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*

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 of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization 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. 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. 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 No. SR-NASD-97-06 and should be submitted by March 20, 1997.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 97-4862 Filed 2-26-97; 8:45 am]

BILLING CODE 8010-01-M

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster Loan Area #2925; Amendment #2]**

#### **California; Declaration of Disaster Loan Area**

In accordance with a notice from the Federal Emergency Management Agency, dated February 14, 1997, the above-numbered Declaration is hereby amended to include Kings and San Luis Obispo Counties in the State of California as a disaster area due to damages caused by severe storms, flooding, and mud and landslides beginning on December 28, 1996 and continuing.

In addition, applications for economic injury loans from small businesses located in the contiguous county of Santa Barbara in the State of California may be filed until the specified date at the previously designated location. Any counties contiguous to the above-named counties and not listed herein have been previously declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is March 5, 1997, and for loans for economic injury the deadline is October 6, 1997.

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

<sup>3</sup> This language is drawn from Article XV, Section 1 of the NASD By-Laws which authorizes the Association to adopt the Uniform Practice Code which states that the adoption of such a Code is for the purpose that "the transaction of day-to-day business by members may be simplified and facilitated \* \* \*."

<sup>4</sup> 15 U.S.C. § 78o-3.

<sup>5</sup> 17 CFR 200.30-3(a)(12).

Dated: February 19, 1997.  
 Herbert L. Mitchell  
*Acting Associate Administrator for Disaster Assistance.*  
 [FR Doc. 97-4925 Filed 2-26-97; 8:45 am]  
 BILLING CODE 8025-01-P

**[Declaration of Disaster Loan Area 2928; Amendment 1]**

**Oregon; Declaration of Disaster Loan Area**

In accordance with a notice from the Federal Emergency Management Agency, dated February 14, 1997, the above-numbered Declaration is hereby amended to include the Counties of Coos, Douglas, Lake, and Lane in the State of Oregon as a disaster area due to damages caused by winter storms, land and mudslides, and flooding beginning on December 25, 1996 and continuing through January 6, 1997.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Benton, Harney, Lincoln, and Linn in the State of Oregon may be filed until the specified date at the previously designated location. Any counties contiguous to the above-named counties and not listed herein have been previously declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is March 24, 1997, and for loans for economic injury the deadline is October 23, 1997.

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

Dated: February 19, 1997.  
 Herbert L. Mitchell,  
*Acting Associate Administrator for Disaster Assistance.*  
 [FR Doc. 97-4924 Filed 2-26-97; 8:45 am]  
 BILLING CODE 8025-01-P

**[Declaration of Disaster Loan Area 2927; Amendment 2]**

**Washington; Declaration of Disaster Loan Area**

In accordance with notices from the Federal Emergency Management Agency, dated February 6 and 11, 1997, the above-numbered Declaration is hereby amended to include the Counties of Asotin, Clark, Jefferson, Pend Oreille, and Whatcom in the State of Washington as a disaster area due to damages caused by winter storms, land and mudslides, and flooding. This Declaration is further amended to establish the incident period for this disaster as beginning on December 26,

1996 and continuing through February 10, 1997.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Garfield in the State of Washington and Columbia in the State of Oregon may be filed until the specified date at the previously designated location. Any counties contiguous to the above-named counties and not listed herein have been previously declared.

All other information remains the same, i.e., the termination date for filing applications for physical damage is March 18, 1997, and for loans for economic injury the deadline is October 17, 1997. The economic injury number for the State of Oregon is 935600.

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

Dated: February 19, 1997.  
 Herbert L. Mitchell,  
*Acting Associate Administrator for Disaster Assistance.*  
 [FR Doc. 97-4923 Filed 2-26-97; 8:45 am]  
 BILLING CODE 8025-01-P

**SUSQUEHANNA RIVER BASIN COMMISSION**

**Proposed Out-of-Basin Diversion Policy and Protocol; Public Hearing**

**AGENCY:** Susquehanna River Basin Commission.

**ACTION:** Public hearing on addition to comprehensive plan.

**SUMMARY:** The Susquehanna River Basin Commission will hold a public hearing in conjunction with its regular meeting on March 20, 1997. This hearing will be for the purpose of receiving public comments on the inclusion of the proposed Out-of-Basin Diversion Policy and Protocol in the Commission's *Comprehensive Plan for Management and Development of the Water Resources of the Susquehanna River Basin*.

Under Section 3.10 of the Susquehanna River Basin Compact, Public Law 91-575, 84 Stat. 1509 *et seq.*, the Commission must review and approve all diversions of water from the Susquehanna River Basin. Up to this time, the Commission has adopted no formal policy position or statement on how it will evaluate proposed diversions, but has relied on positions articulated in past docket decisions. This policy establishes the principles that the Commission will consider in the approval of diversions and adds a protocol describing how those principles will be applied. Written

comments will also be accepted and made a part of the hearing record.

**DATES:** The public hearing will be held on March 20, 1997, beginning at approximately 9:00 a.m. Written comments on the proposed policy should be submitted by March 20, 1995.

**ADDRESSES:** The public hearing will be held at the Best Western Country Cupboard Inn, Rt. 15 North, Lewisburg, Pa.. Copies of the entire policy statement and protocol may be obtained upon request to the Commission at 1721 N. Front Street, Harrisburg, Pa. 17102-2391, (717)238-0423.

**FOR FURTHER INFORMATION CONTACT:** Richard A. Cairo, General Counsel/Secretary, SRBC, 717-238-0423.

Dated: February 21, 1997.  
 Richard A. Cairo,  
*General Counsel/Secretary.*  
 [FR Doc. 97-4938 Filed 2-26-97; 8:45 am]  
 BILLING CODE 7040-01-P

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Free Trade Area of the Americas; Notice and Request for Views**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of opportunity to provide views on U.S. objectives for the free trade area of the Americas.

**SUMMARY:** The Trade Policy Staff Committee is issuing this notice to request advice and information useful in the preparation for the meeting of Western Hemisphere trade ministers, to be held on May 16, 1997 in Belo Horizonte, Brazil. At the Summit of the Americas, leaders of the Western Hemisphere agreed that countries should conclude negotiation of a "Free Trade Area of the Americas" by 2005. The trade ministers were asked to oversee the negotiation.

**DATES:** In order to receive full consideration, comments must be received no later than: March 24, 1997. This will make them timely for consideration as U.S. positions for the Ministerial meeting are developed. Any comments, however brief, would be welcome. The U.S. Government will continue to welcome advice as work on the FTA proceeds.

**ADDRESSES:** Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the United States Trade Representative, 600 17th Street, NW, Room 501, Washington, D.C. 20508.

**FOR FURTHER INFORMATION CONTACT:** Karen James Chopra (202) 395-5190.