

ninety 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, 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of MBSCC. All submissions should refer to File No. SR-MBSCC-99-02 and should be submitted by July 12, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>3</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-15599 Filed 6-18-99; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41524; File No. SR-Phlx-99-11]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Enhance the Exchange's Automated Options Market System and To Employ Trade Reporting Terminals in Certain Options

June 14, 1999.

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 April 7, 1999, 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 self-regulatory organization. On June 10, 1999, the Phlx filed with the Commission Amendment No. 1<sup>3</sup> to the proposed rule change. The Commission is publishing this notice, as amended, to solicit comments on the proposed rule change from interested persons.

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

The Phlx proposes two enhancements to the Phlx Automated Options Market ("AUTOM")<sup>4</sup> System. The first proposed system enhancement, called the Floor Broker Order Entry System ("FBOE"), allows certain orders to be placed directly onto the X.Station,<sup>5</sup> in lieu of a "paper" book. The second proposed enhancement involves employing trade reporting terminals in certain options for non-AUTOM delivered orders.

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

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

<sup>3</sup> Letter from Nandita Yagnick, Counsel, Phlx, to Michael Walinskas, Associate Director, Division of Market Regulation, Commission, dated June 10, 1999 ("Amendment No. 1"). Amendment No. 1 makes a technical modification to the proposed rule change.

<sup>4</sup> See Phlx Rule 1080. AUTOM is the Exchange's electronic order delivery and reporting system that provides for the automatic entry and routing of Exchange listed equity option and index option orders.

<sup>5</sup> For a more detailed description of the X.Station, see Securities Exchange Act Release Nos. 40625 (Nov. 2, 1998), 63 FR 60435 (Nov. 9, 1998) and 39972 (May 7, 1998), 63 FR 26666 (May 13, 1998).

## 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 self-regulatory organization 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 Exchange 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 X.Station is the Exchange's full service options electronic book and trading system. The X.Station provides order execution and order canceling by specialists. Orders delivered through AUTOM, if not automatically executed, are placed on the X. Station on the electronic book for execution by the specialist. Orders not delivered through AUTOM are placed on the "paper" book. Currently, orders, that are on the paper book, when due an execution, are manually executed by the specialist. The specialist then writes out tickets for both sides of the trade and submits them to Exchange staff for reporting to the Options Price Reporting Authority ("OPRA") and for the entry of clearing information.

The Exchange is now proposing a system—The FBOE—that would allow hand-delivered orders<sup>6</sup> to be entered directly onto the X.Station rather than on a paper book. The FBOE will place all orders, except all-or-none, stop, and stop limit orders.<sup>7</sup>

The FBOE will operate as follows: The floor broker will give orders to the specialist; the specialist or his clerk will enter the orders into the FBOE terminal located at the specialist post. The floor broker also may enter the order through terminals located at his floor broker booth. The orders will be displayed on the X.Station and reflected in the Auto-

<sup>6</sup> The FBOE will not accept orders of Registered Options Traders (ROT's) nor will it accept "firm" (member) orders entered by a floor broker.

<sup>7</sup> see Phlx Rule 1066. An all-or-none order is a market or limit order that is to be executed in its entirety or not at all. A stop order is a contingency order to buy or sell at a specified price. A stop limit order is a contingency order to buy or sell at limited price when the market for the particular option reaches a specified price.

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

Quote<sup>8</sup> bids and offers. Once the specialist executes an order (using the X.Station), the execution ticket is immediately printed at the floor broker's post and the trade is reported to OPRA.

Cancellation of orders will operate in the same manner. The floor broker will either deliver the order to the specialist, where the specialist or his clerk will enter the cancellation and the X.Station or the floor broker will cancel the orders from the terminal located at this booth. The cancellation ticket will also be printed at the broker's booth.

The FBOE will provide notification of executions and "outs" as well as query capabilities to determine the status of orders and cleared trades, from the floor broker's booth. The FBOE will allow paper orders originating with floor brokers to exist thereafter on the X.Station just like AUTOM delivered orders. This measure will allow a greater number of orders to be processed electronically through the AUTOM system, which in turn enables the Exchange to better process order flow in the more active issues.

Secondly, in addition to the FBOE system, trade reporting terminals will be placed near the crowd in certain options so that trades that are not executed by the X.Station (non-AUTOM delivered orders) can be reported promptly at the time of the trade, rather than after clearing information is entered into the system. This will result in trades being reported to the participants and OPRA more efficiently.

## 2. Statutory Basis

The Exchange believes that the proposed enhancements to the AUTOM system are consistent with Section 6 of the Act<sup>9</sup> in general, and Section 6(b)(5)<sup>10</sup> in particular, in that they are designed to facilitate transactions in securities and remove impediments to and perfect the mechanism of a free and open market and national market system, as well as 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.

<sup>8</sup> See Phlx Rule 1080, Commentary .01. Automatic Quotation (Auto-Quote) is the Exchange's electronic options pricing system that enables specialists to automatically monitor and instantly update quotations.

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

<sup>10</sup> 15 U.S.C. 78f(b)(5).

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others*

No written comments were solicited or received on the proposed rule change.

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

The proposed rule change, as amended, will become effective upon filing pursuant to Section 19(b)(3)(A) of the Act,<sup>11</sup> and Rule 19b-4(f)(5)<sup>12</sup> thereunder, in that it is designated by the Exchange as effecting a change in an existing order entry system of a self-regulatory organization that: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not have the effect of limiting access to or availability of the system. At any time within 60 days of the filing of such 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.<sup>13</sup>

### **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 in Washington DC. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to the File No. SR-Phlx-

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

<sup>12</sup> 17 CFR 240.19b-4(f)(5).

<sup>13</sup> In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

99-11 and should be submitted by July 12, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 99-15601 Filed 6-18-99; 8:45 am]

BILLING CODE 8010-01-M

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster #3186, Amdt. 2]**

#### **State of Iowa**

In accordance with a notice received from the Federal Emergency Management Agency dated June 7, 1999, the above-numbered Declaration is hereby amended to include Scott County in the State of Iowa as a disaster area as a result of damages caused by severe storms, flooding, and tornadoes beginning on May 16 and continuing through May 29, 1999.

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: Muscatine County, Iowa and Rock Island County, Illinois. Any counties contiguous to the above-named primary county and not listed herein have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 19, 1999, and for economic injury the deadline is February 22, 2000.

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

Dated: June 11, 1999.

**Bernard Kulik,**  
Associate Administrator for Disaster Assistance.

[FR Doc. 99-15589 Filed 6-18-99; 8:45 am]

BILLING CODE 8025-01-P

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster #3190]**

#### **State of New Mexico**

Valencia County and the contiguous Counties of Bernalillo, Cibola, Socorro, and Torrance in the State of New Mexico constitute a disaster area as a result of damages caused by severe thunderstorms and flash flooding that occurred on May 24, 1999. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on August 9, 1999 and

<sup>14</sup> 17 CFR 200.30-3(a)(12).