

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁰ in particular, in that it is designed to promote just and equitable principals of trade and to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in the 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 solicited or received with respect to the proposed rule change.

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 Exchange 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 PCX. All submissions should refer to File No. SR-PCX-2001-45 and should be submitted by January 2, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45145; File No. SR-SCCP-2001-01]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Adopting a Fee Schedule for Electronic Communications Networks

December 10, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 23, 2001, the Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") and on June 25, 2001, and November 27, 2001, amended the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by SCCP. The Commission is publishing this notice 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

SCCP has adopted a new fee schedule for SCCP participants for trades executed on the Philadelphia Stock Exchange, Inc. ("Phlx") for Electronic Communications Networks ("ECNs").²

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² ECNs shall mean any electronic system that widely disseminates to third parties orders entered therein by an Exchange market maker or over-the-counter ("OTC") market maker, and permits such orders to be executed against in whole or in part; except that the term ECN shall not include: any system that crosses multiple orders at one or more specified times at a specified price set by the ECN, algorithm, or by any derivative pricing mechanism and does not allow orders to be crossed or executed against directly by participants outside of such times; or, any system operated by or on behalf of an OTC market maker or exchange market maker

The new fee schedule will operate as a pilot program for one year, wherein SCCP proposes to waive certain dues, fees and charges, including trade recording fees, value fees, treasury transactions charges but not account fees, research fees, computer transmission/tapes charges, or miscellaneous charges on SCCP's fee schedule.³

After the initial pilot period, an ECN will be eligible for the new fee schedule only if it has achieved average daily equity volume on the Phlx of at least 5,000 trades and 5,000,000 shares in the twelfth month after the ECN first became subject to the ECN fee schedule.⁴ If the targeted amount is not met, the ECN will be subject to the SCCP fee schedule in effect at that time. After this pilot program ends in 2002, SCCP will make another rule filing with the Commission to establish new fees based on volume thresholds for ECNs.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, SCCP 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. SCCP has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.⁵

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The proposed changes to SCCP's fee schedule are intended to attract equity order flow from ECNs to Phlx by substituting a more competitive fee schedule tied to high volume targets. The high volume targets would be triggered in the twelfth month of the fee. Should an ECN not meet the targeted volume numbers described above, it

that executes customer orders primarily against the account of such market maker as principal, other than riskless principal.

³ Certain provisions of the SCCP Fee Schedule will not apply to ECNs because they apply to specialists and/or relate to margin financing, such as specialist discount, margin account interest, P&L statements charges, and buy-ins.

⁴ Because this volume requirement only applies to volume in the twelfth month (meaning to the thirteenth month's fee), actually waiving SCCP fees that month would necessarily require an extension of the pilot program beyond the initial 12 months. In the extension, SCCP would address whether the targets would continue to be monthly.

⁵ The Commission has modified the text of the summaries prepared by SCCP.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

may become subject to the then current SCCP fee schedule in the thirteenth month.

SCCP believes that the ECN fee schedule provides competitive fees with appropriate incentives, thus providing a reasonable method to attract large order flow providers such as ECNs to the Exchange. Additional order flow should enhance liquidity and improve Phlx's and SCCP's competitive position in equity trading and clearance.

SCCP believes that the proposed changes to its fee schedule are consistent with section 17A of the Act because that they provide for the equitable allocation of reasonable dues, fees, and other charges in order to attract a new form of order flow to Phlx.

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

SCCP 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 solicited or received.

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

The proposed rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act⁶ and Rule 19b-4(f)(2)⁷ thereunder because the proposed rule change establishes a fee. At any time within sixty days of the filing of such 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.

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 Phlx's principal office. All submissions should refer to File No. SR-SCCP-2001-01 and should be submitted by January 7, 2002.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-30956 Filed 12-14-01; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3384]

State of Alabama

As a result of the President's major disaster declaration on December 7, 2001, I find that Autauga, Blount, Butler, Calhoun, Cherokee, Clay, Dale, DeKalb, Etowah, Fayette, Jefferson, Lamar, Lawrence, Madison, Marion, Marshall, St. Clair, Talladega and Winston Counties in the State of Alabama constitute a disaster area due to damages caused by severe storms and tornadoes occurring on November 24-25, 2001. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on February 5, 2002 and for economic injury until the close of business on September 9, 2002 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: Barbour, Bibb, Chilton, Cleburne, Coffee, Colbert, Conecuh, Coosa, Covington, Crenshaw, Cullman, Dallas, Elmore, Franklin, Geneva, Henry, Houston, Jackson, Lauderdale, Limestone, Lowndes, Monroe, Montgomery, Morgan, Pickens, Pike, Randolph, Shelby, Tallapoosa, Tuscaloosa, Walker and Wilcox counties in the State of Alabama; Chattooga, Dade, Floyd, Polk and Walker counties

in the State of Georgia; Itawamba, Lowndes and Monroe counties in the State of Mississippi; Franklin and Lincoln counties in the State of Tennessee.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	6.500
Homeowners without Credit Available Elsewhere	3.250
Businesses with Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) with Credit Available Elsewhere	6.375
For Economic Injury:	
Businesses and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000

The number assigned to this disaster for physical damage is 338411. For economic injury the number is 9N7600 for Alabama; 9N7700 for Georgia; 9N7800 for Mississippi; and 9N7900 for Tennessee.

Dated: December 10, 2001.

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

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3385]

Disaster Loan Area; State of Indiana

Shelby County and the contiguous counties of Bartholomew, Decatur, Hancock, Johnson, Marion and Rush in the State of Indiana constitute a disaster area due to damages caused by severe storms and tornadoes that occurred on November 24, 2001. Applications for loans for physical damage may be filed until the close of business on February 11, 2002 and for economic injury until the close of business on September 11, 2002 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	6.500

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

⁸ 17 CFR 200.30-3(a)(12).