11A(a)(1)(C),[26] which grants the Commission the authority to require rules designed to ensure appropriate protection of investors and the maintenance of fair and orderly markets to assure: (1) Economically efficient execution of securities transactions; (2) fair competition among brokers and dealers; (3) the availability to brokers, dealers and investors of information with respect to quotations and transactions in securities; (4) the practicability of brokers executing investors' orders in the best market; and (5) an opportunity for investors' orders to be executed without the participation of a dealer.

The Commission has reviewed carefully the commenter's letter, and is not persuaded by the commenter's assertions. NASD Regulation has stated that the proposed rule change will not affect the process by which trading resumes after a trading halt is lifted for Nasdaq National Market Securities and Nasdaq SmallCap securities, and has explained in detail those procedures.[27] Additionally, NASD Regulation has stated it would not consider the entry of closed quotations into Nasdaq for these types of securities a violation of NASD Rule 3340, provided the quotations were entered in conformity with Nasdaq's resumption process.[28] The Commission also agrees that the responsibility to ensure compliance with NASD rules rests with the NASD's members, and that the proposal is important because it delineates the prohibition of specific conduct during trading halts.[29]

V. Conclusion

For the reasons stated above, the Commission finds that the proposed rule change, as amended, is consistent with the Act, in general, and in particular with Sections 15A(b)(6),[30] 15A(b)(11),[31] and 11A(a)(1)(c)[32] of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[33] that the proposed rule change (SR–NASD–00–33), as amended, be and hereby is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[34]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–14587 Filed 6–8–01; 8:45 am]

BILLING CODE 8010–01–M

[26] 15 U.S.C. 78k–1(a)(1)(C).

[27] *See* NASD Regulation Letter, page 2.

[28] *Id.*

[29] In approving this proposal, the Commission has considered the proposed rule's impact on efficiently, competition and capital formation. 15 U.S.C. 78c(f). Additionally, the Commission notes that the Association's definition of ''quotation'' under the proposal differs from the definition of ''quotation'' under Exchange Act Rule 15c2–11. 17 CFR 240.15c2–11. The Association's definition of ''quotation'' will have no impact whatsoever on the definition of ''quotation'' under Exchange Act Rule 15c2–11.

[30] 15 U.S.C. 78o–3(b)(6).

[31] 15 U.S.C. 78o–3(b)(11).

[32] 15 U.S.C. 78k–1(a)(1)(C).

[33] 15 U.S.C. 78s(b)(2).

[34] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–44381; File No. SR–Phlx–2001–57]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Waiving Equity Transaction Value Charges for PACE Orders

June 1, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1], and Rule 19b–4 thereunder,[2] notice is hereby given that on May 21, 2001, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Phlx. 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

The Phlx proposes to waive equity transaction value charges for orders that are electronically routed to the Exchange through PACE.[3] The proposed waiver of fees will be implemented on June 1, 2001.

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 Phlx 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 Phlx 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 purpose of the proposed rule change is to waive equity transaction value charges for orders that are electronically routed to the Exchange through PACE.[4] Presently, orders routed to the Exchange through PACE are charged an equity transaction value charge, which is subject to a discount schedule based on the total value of monthly transactions.[5] Accordingly, all related PACE trade discounts and credits would no longer apply.

The proposed amendment is designed to promote the Exchange's reputation as a cost-effective trading forum for PACE customers and traders transacting equity business. Furthermore, the Exchange believes that the proposed amendment should encourage electronic order flow to the Exchange, which in turn should promote a more liquid equities market.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[6] in general, and with Section 6(b)(4),[7] in particular, by providing for the equitable allocation of reasonable dues, fees and other charges among participants. Eliminating certain charges for PACE transactions (1) alleviates a financial burden on PACE users and thus encourages the transaction of equities by the investing public, and (2) promotes competition among the various exchanges.

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.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] PACE is the acronym for the Exchange's Automated Communication and Execution System. It is the Exchange's order routing, delivery, execution and reporting system for its equity trading floor. *See* Exchange Rule 229.

[4] Specialists would continue to be subject to the PACE Specialist Charge of $.20 per specialist trade against PACE executions (excluding PACE trades on the opening). Telephone conversation between Diana Tenenbaum, Counsel, Phlx, and Sonia Patton, Attorney, Division of Market Regulation, Commission (May 29, 2001).

[5] If the monthly transaction value of a particular customer is between $0–$25 million, a rate of $0.14 for every $1,000 of value will be charged. The rate decreases as the amount of the monthly transaction value increases. PACE users receive trade discounts based on trade size.

[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(4).

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

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A) [8] of the Act and Rule 19b–4(f)(2) [9] thereunder. Accordingly, the proposal will take effect upon filing with the Commission. 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.

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–2001–57 and should be submitted July 2, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[10]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–14586 Filed 6–8–01; 8:45 am]

BILLING CODE 8010–01–M

[8] 15 U.S.C. 78s(b)(3)(A).

[9] 17 CFR 240.19b–4(f)(2).

[10] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3338, Amdt. #1]

State of Illinois

In accordance with notices received from the Federal Emergency Management Agency, dated May 29 and May 31, 2001, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as occurring between April 18, 2001 and continuing through May 29, 2001. The above-numbered Declaration is also amended to include Adams, Calhoun, Mercer and Pike Counties in the State of Illinois as disaster areas caused by flooding occurring between April 18, 2001 and continuing through May 29, 2001.

In addition, applications for economic injury loans from small businesses located in Brown, Greene, Jersey, Knox, Morgan and Scott Counties in the State of Illinois; and Lincoln, Marion, Pike, Ralls and St. Charles Counties in the State of Missouri may be filed until the specified date at the previously designated location. Any counties contiguous to the above named primary counties and not listed here have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is July 9, 2001 and for economic injury the deadline is February 11, 2002.

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

Dated: June 4, 2001.

Herbert L. Mitchell,

Associate Administrator For Disaster Assistance.

[FR Doc. 01–14566 Filed 6–8–01; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9L78]

Commonwealth of Massachusetts (and Contiguous Counties in New Hampshire)

Essex County and the contiguous county of Middlesex in the Commonwealth of Massachusetts; and Hillsborough and Rockingham Counties in the State of New Hampshire constitute an economic injury disaster loan area as a result of a fire that occurred on April 28, 2001 in Amesbury, Massachusetts. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance as a result of this disaster until the close of business on March 1, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd, South 3rd Floor, Niagara Falls, NY 14303.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent. The numbers assigned for economic injury for this disaster are 9L7800 for Massachusetts; and 9L7900 for New Hampshire.

(Catalog of Federal Domestic Assistance Program No. 59002)

Dated: June 1, 2001.

John Whitmore,

Acting Administrator.

[FR Doc. 01–14565 Filed 6–8–01; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3345]

State of West Virginia

As a result of the President's major disaster declaration on June 3, 2001, I find that Boone, Kanawha, Logan, Mercer, Raleigh and Wyoming Counties in the State of West Virginia constitute a disaster area due to damages caused by flooding, severe storms, and landslides beginning on May 15, 2001 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on August 2, 2001, and for loans for economic injury until the close of business on March 4, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South, 3rd Floor, Niagara Falls, NY 14303.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties in West Virginia may be filed until the specified date at the above location: Clay, Fayette, Jackson, Lincoln, McDowell, Mingo, Nicholas, Putnam, Roane, and Summers; and Bland, Giles, and Tazewell Counties in Virginia.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	6.625
Homeowners Without Credit Available Elsewhere	3.312
Businesses With Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere	4.000