

Exchange to impose a fee on Market Makers ("Surcharge") for contracts traded by Market Makers in a particular option issue. This fee, not to exceed \$0.25 per contract,⁶ will be collected by the Exchange and will be used to reimburse the Exchange to the extent the OBO brokerage rate is reduced if such reduction is based upon a recommendation of the Resident Market Makers.⁷ Any remaining amount of the Surcharge collected shall then be refunded to each Market Maker who paid the Surcharge (on a pro rata basis). The proposed Surcharge would allow the PCX to compete with other exchanges based on the respective fee each exchange charges a firm to execute an order on the limit order book.

How the Surcharge Will be Determined. Under proposed PCX Rule 16.1, the OFTC,⁸ under authority delegated to it by the PCX's Board of Governors, will determine the issues option for which the Surcharge would be assessed as well as what that Surcharge, if any, will be.⁹ Any Resident Market Maker can recommend a Surcharge amount. All Residents Market Makers then vote on the recommended amounts of the Surcharge, with each person having an equal vote. Any amount that receives a majority of the votes is the Surcharge amount that is recommended to the OFTC, which then decides the actual Surcharge. In reaching its decision, the OFTC must consider the vote of the Resident Market Makers and the views of any Market Maker in favor of or opposed to the recommended

Surcharge.¹⁰ The OFTC is not bound, however, to follow the Resident Market Makers' recommendation. The OFTC is free to impose a different Surcharge than the one recommended or to impose no Surcharge at all. Any Market Maker may appeal the decision of the OFTC to the Exchange's Appeals committee pursuant to PCX Rule 11.7. The Surcharge will remain in effect until the appeal has been decided.

Once the OFTC determines to implement a Surcharge and change the OBO fee, it will file a rule proposal with the Commission pursuant to Section 19(b)(3)(A) under the Act. After determining to impose or amend a Surcharge, the OFTC will notify the PCX Board of Governors at the meeting following the determination. Any Surcharge to be paid by the Market Makers would be in effect for at least one month to avoid disrupting normal Exchange billings and accounting procedures.

2. Statutory Basis

The PCX believes the proposed rule change is consistent with Section 6(b)¹¹ of the Act, in general, and furthers the objectives of Section 6(b)(5)¹² in particular, because it is designed to facilitate transactions in securities, perfect the mechanism of a free and open market and a national market system, 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 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

Written comments on the proposed rule change were neither solicited nor received.

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

Within 35 days of the 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 the 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of PCX. All submissions should refer to File No. SR-PCX-99-15 and should be submitted by September 1, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-20633 Filed 8-10-99; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Notice of Sale of Commercial Loans

AGENCY: Small Business Administration.

ACTION: Notice of Sale of Commercial Loans-Loan Sale #1.

SUMMARY: This notice announces the Small Business Administration's ("SBA") intention to sell approximately 4,000 secured and unsecured commercial loans (the "Loans") in a sealed bid auction. The total unpaid principal balance of the Loans to be sold in Loan Sale #1 is approximately \$350 million (US). Some of the Loans were previously guaranteed by SBA under various sections of the Small Business

⁶ Bids and offers in options series trading below \$3 are expressed in sixteenths of a dollar, i.e., \$0.0625. Because standard option contracts have a multiplier of 100 (i.e., they represent interest in 100 shares of the underlying security), the value of the minimum spread between any option contract listed on the Exchange would be \$6.25 (\$0.0625 times 100). Options priced over \$3 have a minimum spread of one eighth of a dollar (12.50 value for the minimum spread). Thus, the 25-cent cap on the Surcharge will ensure that it remains far below the minimum quote increment for options trade on the PCX.

⁷ The proposed defines a "Resident Market Maker" as someone who transacted at least 80% of his or her market maker contracts in option issues traded in the trading crowd in the prior calendar month. If the Exchange decides on its own initiative to reduce the OBO rate for a particular option issue, then the Surcharge would not be used to reimburse the Exchange.

⁸ Generally, the OFTC consists of 14 members who trade on the Options Floor. OFTC members that would be impacted by the Surcharge would be required to recuse themselves from that vote.

⁹ The proposal is limited, however, to option issues that are multiply traded, and does not include LMM option issues. As of May 28, 1999, approximately 800 standard equity options are traded on the PCX, and of those, approximately 100 would be eligible for participation in this pilot program.

¹⁰ The OFTC must give notice of its meeting schedule for the consideration of the Surcharge and the deadline for the submission of other materials for its consideration.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ 17 CFR 200.30-3(a)(12).

Act, as amended, 15 U.S.C. 631 *et seq.*, or the Small Business Investment Act, as amended, 15 U.S.C. 695 *et seq.* All SBA guarantees have been paid and no SBA guaranty is available to the successful bidders. In addition, the remainder of the Loans were directly originated and funded by SBA. The collateral for those Loans that are secured includes commercial and residential real estate and other business and personal property located nationwide. This notice also summarizes the bidding process for the Loans.

DATES: The Bidder Information Package will be available to qualified bidders beginning July 2, 1999. The Bid Date is currently scheduled for August 17, 1999, and closings are currently scheduled to occur between September 7, 1999, and September 21, 1999.

ADDRESSES: Bidder Information Packages will be available from SBA's Financial Advisor, KPMG, LLP ("KPMG") 2001 M Street, N.W., Washington, D.C. 20036, 888-660-8060. KPMG will forward Bidder Information Packages to qualified bidders via overnight courier. Bidder Information Packages will be made available only to parties that have submitted a completed Confidentiality Agreement and Bidder Qualification Statement and demonstrated that they are qualified bidders. Interested parties can obtain a Confidentiality Agreement and Bidder Qualification Statement from the SBA Asset Sales website: www.sba.gov/assets or by calling 888-660-8060. This is a toll free number. Imaged files for the Loans included in the sale are available for review by qualified bidders that have paid the due diligence fee and visit the due diligence facility located at 409 Third Street, S.W., Suite C-970, Washington, D.C. 20416. To schedule a visit to the due diligence facility qualified bidders should contact Wayne Thornton, METEC Asset Management, L.C. at 202-401-3059. This is not a toll free number. The due diligence facility will be open between the hours of 8 am and 8 pm, Monday through Friday and 9 am to 5 pm on Saturday. The due diligence facility opened on July 6, 1999 and is currently scheduled to close on or about August 13, 1999.

FOR FURTHER INFORMATION CONTACT: Richard C. Blewett, Director Asset Sales, Small Business Administration, 409 Third Street, S.W., Washington, DC 20416; 202-205-4202. This is not a toll free number. Hearing or speech-impaired individuals may access this number via TDD/TTY by calling the Federal Information Relay Service at 1-

800-877-8339. This is a toll-free number.

SUPPLEMENTARY INFORMATION: SBA intends to sell approximately 4,000 commercial loans. The Loans include loans that are performing, subperforming and non-performing. The Loans will be divided into loan pools on the basis of performance status, collateral status, collateral type and geographic location of the collateral. A list of the Loans, loan pools and pool descriptions is contained in the Bidder Information Package. SBA will offer interested persons an opportunity to bid competitively on loan pools, subject to conditions set forth in the Bidder Information Package. SBA shall use its sole discretion to evaluate and determine winning bids. No Loans will be sold individually.

SBA has fully honored its guaranty payment obligation for each Loan in the sale. The Loans are not currently guaranteed and will be sold without SBA guarantees. The majority of the Loans are currently serviced by SBA. One group of Loans are currently serviced by a single servicer/approved lender.

The Bidding Process

To ensure a uniform and fair competitive bidding process, the terms of sale are not subject to negotiation.

SBA will describe in detail the procedure for bidding on the Loans in the Bidder Information Package, which will include bid forms, a non-negotiable loan sale agreement prepared by SBA ("Loan Sale Agreement"), specific bid instructions, as well as pertinent information on the Loans such as total outstanding unpaid principal balances, interest rates, maturity terms, payment history and collateral information including its geographic location and type. The Bidder Information Package also includes computer diskettes containing data on the Loans.

The Bidder Information Package will be available approximately 6 weeks prior to the Bid Date. The Bidder Information Package will contain procedures for obtaining supplemental information about the Loans. Any interested party may request a copy of the Bidder Information Package by sending a written request together with a duly executed Confidentiality Agreement and a Bidder Qualification Statement to the address specified in the **ADDRESSES** section of this notice.

Prior to the Bid Date, a Bidder Information Package Supplement will be mailed to all qualified bidders. It will contain the final list of loans included in Sale #1.

Each bidder must include with its bid a deposit equal to 10% of the amount of its highest bid. If a successful bidder fails to abide by the terms of the Loan Sale Agreement, including paying SBA any remaining sums due pursuant to the Loan Sale Agreement and closing within the time period specified in the Loan Sale Agreement, SBA shall retain any deposit as liquidated damages.

Due Diligence Facility

A bidder due diligence period will take place beginning on or about July 6, 1999. During the bidder due diligence period, qualified bidders may, for a non-refundable fee of \$500 US, review all asset file documents which have been imaged onto a database by visiting the due diligence facility located at 409 Third Street, S.W., Washington, D.C. 20416 and/or via modem. Bidders that have paid the due diligence fee of \$500 US may also request CD ROM discs that contain substantial due diligence materials such as payment histories for each Loan and Brokers' Price Opinions, where available.

Specific instructions for ordering information in electronic format or making an appointment to visit the due diligence facility are included in the Bidder Information Package.

SBA Reservation of Rights

SBA reserves the right to remove loans from the sale and to add loans at any time prior to the Bid Date, for any reason and without prejudice to its right to include any loans in a later sale. SBA also reserves the right to terminate this sale at any time prior to the Bid Date.

SBA reserves the right to use its sole discretion to evaluate and determine winning bids. SBA also reserves the right in its sole discretion and for any reason whatsoever to reject any and all bids.

SBA reserves the right to conduct a "best and final" round wherein bidders will be given the opportunity to increase their bids. A best and final round shall not be construed as a rejection of any bid or preclude SBA from accepting any bid made by a bidder.

Number of Bids

Bidders may submit a maximum of 30 bids of any type. A bidder may divide its bids among any combination of a portfolio bid, multiple pool bids and/or individual pool bids, however, a bidder can submit only individual pool bids for certain loan pools identified in the Bidder Information Package.

Ineligible Bidders

The following individuals and entities (either alone or in combination with

others) are ineligible to bid on any one or combination of the loans included in the sale:

(1) Any employee of SBA, any member of any such employee's household and any entity controlled by an SBA employee or by a member of such employee's household;

(2) Any individual or entity that is debarred or suspended from doing business with SBA or any other agency of the United States Government;

(3) Any contractor, subcontractor, consultant, and/or advisor (including any agent, employee, partner, director, principal, or affiliate of any of the foregoing) who will perform or has performed services for, or on-behalf of, SBA either in connection with this sale or the development of SBA's loan sale program;

(4) Any individual that was an employee, partner, director, agent, or principal of any entity, or individual described in paragraph (3) above at any time during which the entity or individual performed services for, or on behalf of, SBA either in connection with this sale or the development of SBA's loan sale program;

(5) Any individual or entity that has used or will use the services, directly or indirectly, of any person or entity ineligible under any of paragraphs (1) through (4) above to assist in the preparation of any bid in connection with this sale.

Loan Sale Procedure

SBA has selected a competitive sealed bid auction as the method to sell the Loans. Historically, this method of sale optimizes the return on the sale of loans and, affords the greatest opportunity for all interested parties to bid. This method also provides the quickest and most efficient vehicle for the SBA to dispose of the Loans.

Post Sale Servicing Requirement

The Loans will be sold servicing released. Purchasers of the Loans, and their successors and assigns, will be required to service the Loans in accordance with the applicable provisions of the Loan Sale Agreement. In addition, the Loan Sale Agreement establishes certain requirements that a servicer must satisfy to service the Loans.

Scope of Notice

This notice applies to Loan Sale Number #1, and does not establish agency procedures and policies for other loan sales. If there are any conflicts between this Notice and the Bidder Information Package, the contents of the

Bidder Information Package shall prevail.

Dated: August 4, 1999.

Jane Palsgrove Butler,

Associate Administrator for Financial Assistance.

[FR Doc. 99-20654 Filed 8-10-99; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9D47]

State of Arizona

Pima County and the contiguous counties of Cochise, Graham, Maricopa, Pinal, Santa Cruz, and Yuma in the State of Arizona constitute an economic injury disaster loan area as a result of severe storms on July 13-15, 1999, that caused landslides and resulting road closures. 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 May 2, 2000 at the address listed below or other locally announced locations:

U.S. Small Business Administration,
Disaster Area 4 Office, P.O. Box
13795, Sacramento, CA 95853-4795.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The economic injury number for this disaster is 9D4700.

(Catalog of Federal Domestic Assistance Program No. 59002)

Dated: August 2, 1999.

Aida Alvarez,

Administrator.

[FR Doc. 99-20622 Filed 8-10-99; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activity Under OMB Review

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 350 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for extension of currently approved collections. The ICR describes the

nature of the information collection and its expected burden. The **Federal Register** Notice with a 60-day comment period soliciting comments on the following collection of information was published on March 12, 1999, [FR 64, page 12399].

DATES: Comments must be submitted on or before September 10, 1999. A comment to OMB is most effective if OMB receives it within 30 days of publication.

FOR FURTHER INFORMATION CONTACT: Judy Street on (202) 267-9895.

SUPPLEMENTARY INFORMATION:

Federal Aviation Administration (FAA)

Title: Pilot Schools.

Type of Request: Extension of a currently approved collection.

OMB Control Number: 2120-0009.

Forms(s): FAA Form 8420-8.

Affected Public: Applicants who wish to be issued pilot school certificates and associated ratings.

Abstract: The information on FAA Form 8420-8, Application for Pilot School Certificates, is required from applicants who wish to be issued pilot school certificates and associated ratings. Pilot schools train private, commercial, flight instructor, and airline transport pilots, along with training for associated ratings in various types of aircraft. The information is also necessary to assure continuing compliance with 14 CFR Part 141, renewal of certificates every 24 months, and for any amendments to pilot school certificates.

Estimated Annual Burden Hours: 28,878 burden hours annually.

ADDRESSES: Send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW., Washington, DC 20503, Attention: FAA Desk Officer.

Comments Are Invited On: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.