

stated that an effective evaluation program should subject specialists who meet minimum performance levels on the overall program, but need help or guidance in improving their performance in a particular area, to review. While the PCX's specialist evaluation program subjects those specialists falling into the bottom 10% of all specialists on his or her trading floor to review by the EAC, it does not set a minimum performance level on the overall program. In addition, the Exchange has not established minimum performance standards for individual performance criteria. However, the Commission notes that the Exchange has represented that it will establish an overall passing score for the evaluation program as well as individual passing scores for each performance measure during the course of the pilot.

Accordingly, the Commission believes that it is appropriate to extend the current pilot program for an additional six-month period, until January 1, 1998. This six-month period will allow the Exchange to respond to the Commission's continuing concerns with the PCX's specialist evaluation program. Moreover, the Commission expects the Exchange to conduct an ongoing examination of the parameter ranges and corresponding points allotted under each criterion to ensure that they continue to be set at appropriate levels.

The Commission therefore requests that the PCX submit by November 15, 1997 a proposed rule change pursuant to Rule 19b-4 to revise the pilot to adopt a passing score for the overall performance evaluation and each criterion thereof. This proposed rule change also should include any proposal by the PCX to extend the pilot beyond January 1, 1998.

In addition, the Commission requests that the PCX submit a report to the Commission, by November 15, 1997, describing its continuing experience with the pilot. At a minimum, this report should contain data, for the second and third quarters of 1997, on (1) the number of registered specialists who scored in the bottom 10% of all registered specialists on his or her trading floor in the overall program; (2) the number of specialists, who, as a result of scoring in the bottom 10% in any one quarterly evaluation, appeared before the EAC, and the type of restrictions that were imposed on such specialists (*i.e.*, restriction on new allocations or acting as an alternate specialist), or any further action was taken against such specialists; (3) the number of specialists who, as a result of scoring in the bottom 10% in any two out of four consecutive quarterly

evaluations, appeared before the EAC, whether any restrictions were imposed on such specialists, and whether formal proceedings were initiated against such specialists; and (4) the number of specialists for whom formal proceedings were initiated, the results of such proceedings, including a list of any stocks reallocated from a particular unit.

The Commission notes that the Exchange's pilot program only modifies the performance criteria of Rule 5.37(a). Consequently, the Commission expects the EAC to continue to evaluate the performance of specialists during the pilot period in accordance with the standards and procedures found in the PCX rules.¹¹

For the reasons discussed above, the Commission finds that the PCX's proposal to extend its pilot program is consistent with the requirements of Sections 6(b) and 11 of the Act¹² and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.¹³

Further, the Commission finds that the proposal is consistent with Section 11(b) of the Act¹⁴ and Rule 11b-1

¹¹ In this regard, all specialists falling within the bottom 10% of specialists on their respective floors in any review period are required to meet with the EAC. See also PCX Rule 5.37 (standards applicable to specialists falling into the bottom 10% in any two out of four review periods, including those pertaining to the initiation of formal reallocation proceedings). Moreover, PCX Rule 5.36(d), Commentary .03 requires that all specialists falling into the bottom 10% in a review period must be precluded from acting as alternate specialists until their ranking rises above the bottom 10%, unless the EAC determines otherwise. In addition, PCX Rule 5.37(b), Commentary .01 requires that all such specialists shall not be eligible for new allocations until their ranking rises above the bottom 10%; however, the EAC may make exceptions if there are sufficient mitigating circumstances.

As also noted in the Commission's order approving the latter restriction, findings of "mitigating circumstances" should not be routine, but should remain the exception and be made only when appropriately warranted. See Securities Exchange Act Release No. 37326 (June 19, 1996), 61 FR 32875 (June 25, 1996) (File No. SR-PSE-96-13). Consequently, the Commission expects that appropriate action in accordance with PCX rules will be taken with regard to those specialists falling into the bottom 10%.

¹² 15 U.S.C. 78f(b) and 78k.

¹³ In approving this rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. § 78c(f).

¹⁴ 15 U.S.C. 78k(b).

thereunder which allow securities exchanges to promulgate rules relating to specialists in order to maintain fair and orderly markets and to remove impediments to and perfect the mechanism of a national market system.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. This will permit the pilot program to continue both on an uninterrupted basis and with the use of the NBBO, instead of the primary market quote, in the calculation of the Trading Between the Quote, Book Display Time, and Quote Performance criteria. In addition, the rule change that implemented the pilot program initially was published in the **Federal Register** for the full comment period, and no comments were received.¹⁵

Accordingly, the Commission believes that it is consistent with the Act to accelerate approval of the proposed rule change.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁶ that the proposed rule change (SR-PCX-97-19) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-17941 Filed 7-8-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

ACTION: Notice of reporting requirements submitted for review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Comments should be submitted on or before August 8, 1997. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

¹⁵ See Securities Exchange Act Release 37770, *supra* note 3.

¹⁶ 15 U.S.C. 78s(b)(2).

¹⁷ 127 CFR 200.30-3(a)(12).

COPIES: Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Jacqueline White, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416, Telephone: (202) 205-6629.

OMB Reviewer: Victoria Wassmer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

Title: Small Business Development Center.

Form No: SBA Form 1062.

Frequency: Monthly.

Description of Respondents: Small Business Development Center Counselors.

Annual Responses: 230,000.

Annual Burden: 115,000.

Dated: July 2, 1997.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 97-17860 Filed 7-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2959]

Commonwealth of Kentucky

Powell County and the contiguous Counties of Clark, Estill, Lee, Menifee, Montgomery, and Wolfe in the Commonwealth of Kentucky constitute a disaster area as a result of damages caused by flooding which occurred on June 16 and 17, 1997. Applications for loans for physical damages may be filed until the close of business on August 29, 1997 and for economic injury until the close of business on March 30, 1998 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	8.000
Homeowners Without Credit Available Elsewhere	4.000
Businesses With Credit Available Elsewhere	8.000

	Percent
Businesses and Non-Profit Organizations Without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere	7.250
For Economic Injury:	
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 295906 and for economic injury the number is 952400.

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

Dated: June 30, 1997.

Aida Alvarez,
Administrator.

[FR Doc. 97-17859 Filed 7-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[(Declaration of Disaster #2949)]

State of Minnesota; Amendment #5

In accordance with a notice from the Federal Emergency Management Agency dated June 27, 1997, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to August 6, 1997.

All other information remains the same, i.e., the deadline for filing applications for economic injury is January 8, 1998.

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

Dated: June 30, 1997.

Bernard Kulik,
Associate Administrator for Disaster Assistance.

[FR Doc. 97-17858 Filed 7-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2948]

State of North Dakota; Amendment #2

In accordance with a notice received from the Federal Emergency Management Agency dated June 26, 1997, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to August 6, 1997.

All other information remains the same, i.e., the deadline for filing

applications for economic injury is January 7, 1998.

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

Dated: June 30, 1997.

Bernard Kulik,

Associate Administrator, for Disaster Assistance.

[FR Doc. 97-17857 Filed 7-8-97; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF STATE

[Public Notice 2563]

Privacy Act of 1974; Altered System of Records

Notice is hereby given that the Department of State proposes to alter an existing system of records, STATE-44, pursuant to the provisions of the Privacy Act of 1974, as amended (5 U.S.C. 552a(r)), and the Office of Management and Budget Circular No. A-130, Appendix I. The Department's report was filed with the Office of Management and Budget on June 17, 1997.

It is proposed that the current system will retain the name "Congressional Travel Records." However, revisions and/or additions are proposed to the security classification; authorities; categories of individuals and records covered by the system; routine uses; storing, retrieving, and safeguarding practices; retention and disposal requirements; system manager and address; notification procedure; record access and amendment procedures; and record source categories. These changes to the existing system description are proposed in order to reflect more accurately the Bureau of Legislative Affairs' record-keeping system, and a reorganization of activities and operations.

Any persons interested in commenting on the altered system of records may do so by submitting comments in writing to Kenneth F. Rossman; Acting Chief, Programs and Policies Division, Office of Information Resources Management Programs and Services, Room 1239, Department of State, 2201 C Street, NW, Washington, DC 20520-1239. This system of records will be effective 40 days from the date of publication, unless we receive comments which will result in a contrary determination.

The altered system description, "Congressional Travel Records, STATE-44" will read as set forth below.