

*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 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 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, NW, Washington, DC 20549. 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 provision 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 SR-PCX-98-52 and should be submitted by December 18, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

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

[FR Doc. 98-31586 Filed 11-25-98; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-40685; File No. SR-Phlx-98-48]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Listing and Trading Options on The Street.com Internet Index**

November 17, 1998.

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 October 23, 1998, 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change for interested persons.

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

The Phlx proposes to list and trade European-style, cash-settled options on The Street.com Internet Index ("Index"),<sup>3</sup> an equal dollar-weighted, A.M.-settled, narrow-based index of 20 small to mid-size companies by capitalization that are involved in Internet software, computer data security, and consulting services.<sup>4</sup> The Phlx is filing this proposal pursuant to Phlx Rule 1009(A), which provides for the commencement of trading of options on the Index 30 days after the date of the filing. The Phlx believes that this proposal is in compliance with Phlx Rule 1009(A) and the standards

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

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

<sup>3</sup> The Phlx pre-filed the Index with the Commission in August 1998. The pre-filing was submitted in accordance with the Generic Index Approval Order, *infra* note 5. Subsequent to the pre-filing, the Exchange renamed the Phlx Internet Growth Index as The Street.com Internet Index. The Street.com, Inc. does not guaranty the accuracy or completeness of the Index, makes no express or implied warranties with respect to the Index and shall have no liability for any damages, claims, losses or expenses caused by errors in the Index calculation. The Exchange represents that it will have sole discretion over the calculation of the Index.

<sup>4</sup> Since the pre-filing, the Phlx represented to the Commission that nothing has changed with the Index, including the stocks selected for the Index; only the name of the Index was changed. Telephone conversation between Nandita Yagnik, Counsel, Phlx, and Joseph Corcoran, Division of Market Regulation, Commission on November 12, 1998.

approved in the Generic Index Option Approval Order ("Generic Index Approval Order").<sup>5</sup>

**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 Exchange 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 purpose of the proposal is to list for trading European style, cash-settled options on The Street.com Internet Index, a new index developed by the Exchange pursuant to Phlx Rule 1009A(b) in accordance with the Generic Index Approval Order for the listing and trading of narrow-based index options. Options on The Street.com Internet Index will provide an important hedging vehicle for basket traders who engage in trading securities that comprise this subsector of the computer industry.

The following is a more detailed description of the proposed Index options:

*Ticker Symbol:* DOT

*Settlement Value Symbol:* DOS

*Underlying Index:* The Street.com

Internet Index is an equal dollar-weighted index composed of 20 stocks involved in Internet software, computer data security, and consulting services that are traded on the New York Stock Exchange ("NYSE") and Nasdaq Stock Market ("Nasdaq"), and are therefore, reported securities as defined in Rule "11Aa3-1 under the Act. Further, all of the stocks presently meet the Exchange's listing criteria for equity options contained in Exchange Rule 1009 and are currently the subject of

<sup>5</sup> See Securities Exchange Act Release No. 34157 (June 3, 1994), 59 FR 30062 (June 9, 1994) (order approving File Nos. SR-Amex-92-35; SR-CBOE-93-59; SR-NYSE-94-17; SR-PSE-94-07; and SR-Phlx-94-10). The Generic Index Approval Order established generic listing standards for options on narrow-based indexes and adopted streamlined procedures for introducing trading in options satisfying the generic listing standards.

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

listed options on U.S. options exchanges.

The Exchange notes that all of the companies represented in the Index are U.S. companies. However, if non-U.S. companies are added to the Index (such as American Depositary Receipts) that are not subject to comprehensive surveillance sharing agreements, those components will not account for more than 20% of the weight of the Index.

As of September 30, 1998, the market capitalization of all the stocks in the Index exceeded \$50 billion, with individual capitalizations ranging from \$167 million to \$24 billion. All 20 component issues in the Index had monthly trading volumes in excess of one million shares over each of the months from April through September.

**Index Calculation:** The methodology used to calculate the Index is an equal dollar-weighted method, meaning that each of the component stocks is represented in the Index in approximately equal dollar amounts. The Exchange believes that this method of calculation is important because it will provide each component issue with equivalent influence on the movement of the Index value instead of allowing one highly capitalized stock to dominate the movement of the Index. To determine the initial dollar weighting of the stocks, the Exchange calculated the number of shares of each that would represent an investment of approximately \$10,000 in each of those stocks comprising the Index based on closing prices on September 30, 1998. The value of the Index equals the current market value of the sum of the assigned number of shares of all of the stocks in the Index divided by the current Index divisor. The Index divisor was set to yield an initial Index value of 200 at the opening on October 1, 1998.

**Index Maintenance:** To maintain the continuity of the Index, the divisor will be adjusted to reflect nonmarket changes in the price of the component securities as well as changes in the composition of the Index. Changes which may result in divisor adjustments include but are not limited to stock splits, dividends, spin-offs, mergers and acquisitions. In accordance with Phlx Rule 1009A, if any change in the nature of any component (e.g., delisting, merger, acquisition or otherwise) in the Index will change the overall market character of the Index, the Exchange will take appropriate steps to remove the stock or replace it with another stock that the Exchange believes would be compatible with the intended market character of the Index. Any replacement components will be reported securities

as defined in Rule 11Aa3-1 under the Act.

Currently, the Index is comprised of 20 component stocks. Absent Commission approval, the Exchange will not change the number of components to more than 24 or fewer than 16. The Exchange notes that the component stocks comprising the top 90% of the Index, by weight, will each maintain a minimum market capitalization of \$75 million. The remaining 10%, by weight, will each maintain a minimum market capitalization of \$50 million. The component stocks comprising the top 90% of the Index, by weight, will maintain a trading volume of at least 500,000 shares per month. The trading volume for each of the component stocks constituting the bottom 10% of the Index, by weight, will maintain at least 400,000 shares per month. No fewer than 90% of the component issues by weight or fewer than 80% of the total number of the components qualify as stocks eligible for options trading.

If the Index fails at any time to satisfy one or more of the required maintenance criteria, the Exchange will notify the Commission staff immediately and will not open for trading any additional series of options on the Index, unless the above is determined by the Exchange not to be significant and the Commission concurs in that determination, or unless the continued listing of options on The Street.com Internet Index has been approved by the Commission under Section 19(b)(2) of the Act.<sup>6</sup> In addition to not opening for trading any additional series, the Exchange may, in consultation with the Commission, prohibit opening purchase transactions in series of options previously opened for trading to the extent that the Exchange deems such action necessary or appropriate.<sup>7</sup>

In addition to the maintenance criteria above, no single component of the Index shall account for more than 25% of the Index and the three highest weighted component securities shall not account for more than 60% of the Index. If the Index fails to satisfy the maintenance listing standards set forth above, the Exchange shall not open for trading any additional series of options of that class unless such failure is determined by the Exchange not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of Index options has been approved by the

Commission under Section 19(b)(2) of the Act.

**Rebalancing:** Following the close of trading on the third Friday of January, April, July and October the Index portfolio will be adjusted by changing the number of whole shares of each component so that each company is gains represented in "equal" dollar amounts. If necessary, a divisor adjustment will be made at the rebalancing to ensure the continuity of the Index's value. The newly adjusted portfolio will then become the basis for the Index's value on the first trading day following the adjustment.

The number of shares of each component stock in the Index portfolio will remain fixed between quarterly rebalances except in the event of certain types of corporate actions, such as the payment of a dividend other than an ordinary cash dividend, stock dividend, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, or similar event with respect to the component stocks. In the case of a merger or consolidation of an issuer of a component stock, if the stock remains in the Index, the number of shares of that security in the portfolio may be adjusted to the nearest whole share to maintain the component's relative weight in the Index at the level immediately prior to the corporate action. In the event of a stock addition or replacement, the average dollar value of the remaining portfolio components will be calculated and that amount invested in the stock of new component, to the nearest whole share. In all cases, the divisor will be adjusted, if necessary, to ensure Index continuity. All stock replacements and the handling of non-routine corporate actions will be announced at least ten business days in advance of such effective change, whenever possible. The Exchange will make this information available to the public through dissemination of an information circular.

**Unit of Trading:** Each option contract will represent \$100, the Index multiplier, times the Index value. For example, an Index value of 200 will result in an option contract value of \$20,000 (\$100 × \$200).

**Exercise Price:** The exercise prices will be set in accordance with Phlx Rule 1101A(a).

**Settlement:** A.M.—settled index options.

**Settlement Value:** The Index value for purposes of settling outstanding Index option contracts upon expiration will be calculated based upon the regular way opening sale prices for each of the Index's component stocks in their primary market on the last trading day

<sup>6</sup> See Phlx Rule 1009A.

<sup>7</sup> See Phlx Rule 1010.

prior to expiration. In the case of National Market securities traded through Nasdaq, the first reported sale price will be used for the final settlement value for expiring Index option contracts. In the event that a component security does not open for trading on the last day before the expiration of a series of Index options, the last sale price for that security will be used in calculating the Index value. However, in the event that the Options Clearing Corporation ("OCC") determines that the current Index value is unreported or otherwise unavailable (including instances where the primary market for securities representing a substantial part of the value of the Index is not open for trading at the time when the current Index value used for exercise settlement purposes would be determined), the OCC shall determine an exercise settlement amount for the Index in accordance with Article XVII, Section 4 of the OCC By-Laws.<sup>8</sup>

**Last Trading Day:** Last business day prior to the third Friday of the month for options which expire on the Saturday following the third Friday of that month.

**Trading Hours:** 9:30 a.m. to 4:02 p.m.

**Position and Exercise Limits:** The Street.com Internet Index is an industry or narrow-based index option. Accordingly, the Exchange will employ position and exercise limits pursuant to Phlx Rules 1001A(b) and 1002A, respectively. The position and exercise limits will be 15,000 contracts.

**Expiration Cycles:** Three months from the March, June, September, December cycle, plus two additional near-term months.

**Exercise Style:** European.

**Premium Quotations:** Premiums will be expressed in terms of dollars and fractions of dollars pursuant to Phlx Rule 1033A. For example, a bid or offer of 1½ will represent a premium per options contract of \$150 (1½ × 100).

The Street.com Internet Index value will be disseminated every 15 seconds during the trading day. The Phlx has retained Bridge Data Inc. to compute and perform all of the necessary maintenance of the Index.<sup>9</sup> Pursuant to Phlx Rule 1100A, updated Index values will be disseminated and displayed by means of primary market prints reported by the Consolidated Tape Association and over the facilities of the Options Price Reporting Authority. The Index

value will also be available on broker-dealer interrogation devices to subscribers of options information. The Exchange represents that it has the capacity to handle the additional traffic of The Street.com Internet Index. Further, the Options Price Reporting Authority ("OPRA") represents that it has the capacity to handle the additional traffic generated by the Index.<sup>10</sup>

The options will be traded pursuant to current Phlx rules governing the trading of index options including provisions addressing sales practices, floor trading procedures, position and exercise limits, margin requirements and trading halts and suspensions.<sup>11</sup> The Exchange also represents that surveillance procedures currently used to monitor trading in index options will be applicable to this Index option. These procedures include having complete access to trading activity in the underlying securities which are all traded on the NYSE and Nasdaq. In addition, the Intermarket Surveillance Group ("ISG") Agreement dated July 14, 1983, as amended on January 29, 1990 and June 20, 1994 will be applicable to the trading of options on the Index.

## 2. Statutory Basis

The Phlx believes that the proposed rule change is consistent with Section 6 of the Act in general, and in particular, with section 6(b)(5),<sup>12</sup> in that it is designed to promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and to protect investors and the public interest.

Specifically, the Exchange believes that the introduction of the proposed The Street.com Internet Index will serve to promote the public interest and help to remove impediments to a free and open securities market by providing investors with a means of hedging exposure to market risks associated with the securities issued by companies that comprise this subsector of the computer industry. The trading of options on the Index will permit investors to participate in the price movement of the 20 securities on which the Index is based. The trading of options on the

Index will allow investors holding positions in some or all of the securities underlying the Index to hedge the risks associated with these securities.

Accordingly, the Exchange believes that options on the Index will provide investors with an additional trading and hedging mechanism that outweighs any potential for manipulation that would diminish public confidence. Further, the Exchange believes that the proposed Index will have a positive impact on efficiency, competition and capital formation consistent with section 3(f) of the Act.<sup>13</sup>

## 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.

## 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

Because the foregoing rule change complies with the standards set forth in the Generic Index Approval Order,<sup>14</sup> it has become effective pursuant to section 19(b)(3)(A) of the Act<sup>15</sup> and subparagraph (e) of Rule 19b-4 thereunder.<sup>16</sup> Pursuant to the Generic Index Approval Order, the Exchange may not list options on the Street.com Internet Index prior to thirty days after the date that the proposed rule change was filed with the Commission.

At any time within 60 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 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

<sup>8</sup> See, e.g., OCC Article XVII, Section 4 and Securities Exchange Act Release No. 37315 (June 17, 1996), 61 FR 32471 (June 24, 1996) (order approving File No. SR-OCC-95-19).

<sup>9</sup> As a back-up to Bridge Data Inc., the Phlx will utilize its own internal calculation system called the Index Calculation Engine ("ICE") System.

<sup>10</sup> See Letter from Joe Corrigan, Executive Director, OPRA, to Michael Walinskas, Deputy Associate Director, Commission dated September 22, 1998.

<sup>11</sup> See Phlx Rule 722 and Rule Phlx Rules 1000A through 1102A; See generally Phlx Rules 1000 to 1080.

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> 15 U.S.C. 78c(f).

<sup>14</sup> See note 5, *supra*.

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

<sup>16</sup> 17 CFR 240.19b-4(e).

20549. 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-98-48 and should be submitted by December 18, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>17</sup>

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

[FR Doc. 98-31583 Filed 11-25-98; 8:45 am]  
BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

### Data Collection Available for Public Comments and Recommendations

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

**DATES:** Comments should be submitted on or before January 26, 1999.

**FOR FURTHER INFORMATION CONTACT:** Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629.

#### SUPPLEMENTARY INFORMATION:

*Title:* "Survey of Women-Owned Businesses who are Active Exporters or who are export ready".

*Type of Request:* New Collection.

*Form No:* 2082.

*Description of Respondents:* Women-Owned Businesses that are either Actively exporting or export-ready.

*Annual Responses:* 500.

*Annual Burden:* 250.

*Comments:* Send all comments regarding this information collection to, Sally Clark, Director of Special Initiatives, Office Women Business

Ownership, Small Business Administration, 409 3rd Street S.W., Suite 4400, Washington, D.C. 20416. Phone No: 202-205-6673.

Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize this estimate, and ways to enhance the quality.

Dated: November 20, 1998.

**Vanessa Piccioni,**

*Acting Chief, Administrative Information Branch.*

[FR Doc. 98-31601 Filed 11-25-98; 8:45 am]

BILLING CODE 8025-01-U

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster #3146]

#### State of Kansas; (Amendment #2)

In accordance with information received from the Federal Emergency Management Agency, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on October 30, 1998 and continuing through November 15, 1998.

All other information remains the same, i.e., the deadline for filing applications for physical damage is January 4, 1999 and for economic injury the termination date is August 5, 1999.

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

Dated: November 19, 1998.

**Herbert L. Mitchell,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 98-31650 Filed 11-25-98; 8:45 am]

BILLING CODE 8025-01-U

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster #3145]

#### State of Texas; (Amendment #3)

In accordance with a notice from the Federal Emergency Management Agency dated November 17, 1998, the above-numbered Declaration is hereby amended to include the Counties of Blanco, Jefferson, Medina, and San Patricio in the State of Texas as a disaster area due to damages caused by severe storms, flooding, and tornadoes which occurred October 17 through October 31, 1998.

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:

Gillespie, Llano, Orange, Uvalde, and Zavala in the State of Texas. Any counties contiguous to the above-named primary counties 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 December 19, 1998 and for economic injury the termination date is July 21, 1999.

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

Dated: November 19, 1998.

**Herbert L. Mitchell,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 98-31649 Filed 11-25-98; 8:45 am]

BILLING CODE 8025-01-U

## DEPARTMENT OF STATE

### [Public Notice #2933]

#### Renewal of the Overseas Schools Advisory Council

The Department of State is renewing the Overseas Schools Advisory Council to provide a formal channel for regular consultation and advice from U.S. corporations and foundations regarding American-sponsored overseas schools. The Under Secretary for Management has determined that the committee is necessary and in the public interest.

Members of the committee will be appointed by the Assistant Secretary for Administration. The Committee will follow the procedures prescribed by the Federal Advisory Committee Act (FACA). Meetings will be open to the public unless a determination is made in accordance with the FACA section 10(d) and 5 U.S.C. 552b(c) (1) and (4) that a meeting or a portion of the meeting should be closed to the public. Notice of each meeting will be provided in the **Federal Register** at least 15 days prior to the meeting date.

For further information, contact Dr. Keith D. Miller, Executive Secretary of the committee at 703-875-7800.

Dated: November 16, 1998.

**Keith D. Miller,**

*Executive Secretary, Overseas Schools Advisory Council.*

[FR Doc. 98-31580 Filed 11-25-98; 8:45 am]

BILLING CODE 4710-24-U

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