

proposal. This order approves the Exchange's proposal.

II. Description of the Proposal

1. Purpose

The proposed rule change amends the listed company fee schedule, set forth in Paragraph 902.02 of the Listed Company Manual ("Manual"), as it applies to original listing fees. The Exchange seeks to adopt a minimum original listing fee for each new closed-end fund depending upon the number of shares offered. As proposed, closed-end funds would be subject to a minimum original listing fee based upon the number of shares outstanding as follows: up to 10 million shares—\$100,000; up to 24 million shares—\$125,000; and over 24 million shares—\$150,000. This minimum would include the Exchange's one-time special charge of \$36,800.

The Exchange recently received approval for a minimum fee that specifically excluded closed-end funds in anticipation of this filing because such funds, unlike corporations, do not issue additional shares of securities.⁴ Thus, the Exchange felt it would be inappropriate to apply the same fee schedule applied to corporations to closed-end funds.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act⁵ and the rules and regulations thereunder applicable to a national securities exchange.⁶ In particular, the Commission finds the proposed rule change is consistent with Section 6(b)(4) of the Act,⁷ which requires that the rules of an exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. Specifically, the Commission believes that the Exchange's proposal to establish the minimum original listing fee schedule for closed-end funds described above is not unreasonable to the Exchange's issuers. Also, the Commission believes that because the fees are proportional to the number of shares outstanding, these fees are equitably allocated among the issuers. Thus, the Commission finds that the

proposed rule change is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-NYSE-00-20) is approved.

By the Commission, for the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43070; File No. SR-Phlx-00-69]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Modifying the Concentration Requirements for the Gold/Silver Index

July 25, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19-b thereunder,² notice is hereby given that on July 18, 2000, 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 and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

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

The Phlx proposes to adopt Rule 1009A(b)(6)(i) as a maintenance standard that establishes a concentration requirement for the Gold/Silver Index ("Index"). The rule is stated below. Additions to the rule are in italics.

* * * * *

Rule 1009A. Designation of the Index

- (a) No change
- (b) No change.
- (1)-(5) No change.

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(6) No single component security represents more than 25% of the weight of the index, and the five highest weighted components do not in aggregate account for more than 50% (60% for an index consisting of fewer than 25 component securities) of the weight of the index;

(i) *With respect to the Gold/Silver Index, no single component shall account for more than 35% of the weight of the Index and the three highest weighted components shall not account for more than 65% of the weight of the Index. If the Index fails to meet this requirement, the Exchange shall reduce position limits to 8,000 contracts on the Monday following expiration of the farthest-out, then trading, non-LEAP series.*

(c) No change.

In the event a class of index options listed on the Exchange fails to satisfy the maintenance listing standards set forth herein, 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 Exchange Act.

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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 III 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would amend the concentration requirements of the maintenance standards for the Gold/Silver Index to provide the same concentration requirements as are adopted for the Computer Box Maker Index.³ The Gold/Silver Index is a capitalization weighted index composed of the stocks of widely held U.S. companies that mine gold and silver. Options on the Index have an American style expiration and the settlement value is based on the closing values of the component stocks on the day

³ See Securities Exchange Act Release No. 39895 (April 21, 1998), 63 FR 23327 (April 28, 1998).

⁴ See Securities Exchange Act Release No. 42606 (March 31, 2000), 65 FR 18415 (April 7, 2000) (SR-NYSE-00-10).

⁵ 15 U.S.C. 78f.

⁶ In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f(b)(4).

exercised, or on the last trading day prior to expiration (P.M. settled).

The Gold/Silver Index was the first narrow-based index option approved for trading on the Exchange.⁴ In 1996, the Exchange revised the composition of the Gold/Silver Index and adopted procedures to address replacements, additions, and deletions of component stocks.⁵ In addition, the Exchange received approval to apply to the Index all the maintenance criteria of Phlx Rule 1009A(c), which applies to options on indexes listed pursuant to the "Generic Index Approval Order,"⁶ except the requirement that an index option be designated as A.M.-settled.⁷ Thus, the Gold/Silver Index is currently required to comply with the concentration requirements set forth in Phlx Rule 1009A(b)(6). This requirement states that no one component may account for more than 25% of the weight of the Index and the five highest weighted components should not account for more than 60% of the Index. The concentration requirement must be satisfied on January 1 and July 1 each year.

The Exchange now proposes to adopt concentration requirements similar to that approved for the Exchange's Computer Box Maker Index.⁸ Specifically, the Exchange proposes to adopt new Rule 1009A(b)(6)(i), which provides that no one component shall account for more than 35% of the weight of the Index and the three highest weighted components shall not account for more than 65% of the weight of the Index. If the Index fails to satisfy this criteria, the Exchange proposes to reduce the position limits to 8,000 contracts.⁹ In implementing this decrease, all series of Index options would be scheduled for a position limit decrease effective the Monday following expiration of the farthest-out, then trading, non-LEAP option series. If prior

to the scheduled position limit decrease, the Index complied with the proposed 35%/65% concentration requirements, the position limit would not be reduced. All other maintenance requirements contained in Rule 1009A(c) would continue to apply to this Index.¹⁰ Thus, if the Index fails to meet other maintenance criteria, the Exchange will not open for trading any additional series of options unless such failure is determined by the Exchange not to be significant and the Commission concurs in that determination.

In addition, the Exchange is adding two components to the Index in an effort to reduce the weightings of the already existing components consistent with the proposed rule change.¹¹ The Exchange will add Goldfields, Lpd. (ticker "GOLD") and Phelps Dodge Corp. (ticker "DP") to the Index.

The Exchange believes that this is the most effective method of continuing to list an active product,¹² while ensuring that the Index contains components that are highly capitalized, actively traded, and reported securities, and thus, are appropriate for index option trading. The Exchange further believes that the concentration requirements approved respecting the Computer Box Maker Index are appropriate for this Index because they would deter investors from using the Gold/Silver Index options as a method of increasing their position in the highest weighted stocks in the Index, while preserving the Index in similar form as an investment tool.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act,¹³ in general, and with Section 6(b)(5),¹⁴ in particular, in that it is designed to promote just and equitable principles of trade; to facilitate transactions in securities; 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. The Exchange believes that the proposed rule change would allow investors to continue to trade options on the Gold/Silver Index,

without interruption, as a hedging vehicle respecting mining stocks; is consistent with other indexes that impose concentration standards aimed at preventing the use of the index as a surrogate to trade options on individual stocks contained in the Index; and at the same time provides standards to prevent the manipulation of components of the Index.

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

The Exchange believes that the proposed rule imposes no burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange neither solicited nor received written comments on the proposal.

III. 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-00-69 and should be submitted by August 23, 2000.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

After careful consideration, the Commission finds, for the reasons set forth below, that the Phlx's proposal is consistent with the requirements of the Act and the rules and regulations thereunder.¹⁵ Specifically, the Commission finds that the proposal is

¹⁵ In approving this rule, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁴ See Securities Exchange Act Release No. 20437 (December 2, 1983), 48 FR 55229 (December 9, 1983).

⁵ See Securities Exchange Act Release No. 37334 (June 19, 1996), 61 FR 33162 (June 26, 1996).

⁶ See Securities Exchange Act Release No. 34157 (June 3, 1994), 59 FR 30062-01 (June 10, 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).

⁷ See *supra* note 5.

⁸ See *supra* note 3.

⁹ The position limits for the Gold/Silver Index are set under Phlx Rule 1001A(b)(i). The Phlx represents that the Gold/Silver Index would currently fall under the 18,000 position limit criteria. However, if the Index fails to satisfy the concentration requirements of the maintenance criteria the position limit will be set at 8,000. Telephone conversation between Marla Chidsey, Attorney, Division of Market Regulation ("Division"), Commission, and Nandita Yagnik, Attorney, Phlx (July 25, 2000).

¹⁰ See *supra* note 5.

¹¹ See Letter to Elizabeth King, Associate Director, Division, Commission, and Nancy Sanow, Assistant Director, Division, Commission, from Edith Hallahan, Deputy General Counsel, Phlx, dated July 17, 2000 ("July 17, 2000 Letter"); and telephone conversation between Heather Traeger, Attorney, Division, Commission, Marla Chidsey, Attorney, Division, Commission, and Nandita Yagnik, Attorney, Phlx (July 24, 2000).

¹² The Gold/Silver Index option had open interest of 31,090 contracts on July 7, 2000.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

consistent with Section 6(b)(5) of the Act¹⁶ because it is designed to promote just and equitable principles of trade, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest.

The Commission notes that the Gold/Silver Index is currently traded under Phlx Rule 1009A, which requires that no single component security represents more than 25% of the weight of the Index, and the five highest weighted components do not in the aggregate account for more than 50% of the weight of the Index. Based on the Phlx's representations, the Index is one of the Phlx's most actively-traded index options with an average daily trading volume of 1,559 contracts from January to June 2000.¹⁷ The Phlx proposes to change the concentration requirement to make it similar to that of the Exchange's Box Maker Index. Under the Box Maker Index, no single component security may represent more than 35% of the weight of the Index, and the three highest weighted components cannot in the aggregate account for more than 65% of the weight of the index.¹⁸ The Commission finds that changing the Gold/Silver Index to adopt the requirements that no single component security represents more than 35% of the weight of the Index, and that the three highest weighted components do not in the aggregate account for more than 65% of the weight of the index, comports with the standards in the Box Maker Index, which were previously approved by the Commission.¹⁹ Thus, the Commission finds that the proposed amendment to Phlx Rule 1009(a)(6) relating to the Gold/Silver Index is consistent with the Act.

The Commission also finds that by adopting the proposed rule change to provide that no one component shall account for more than 35% of the weight of the Index and the three highest weighted components shall not account for more than 65% of the weight of the Index is an effective way to continue listing the Index, while still protecting against material changes in the composition and design of the Index that might adversely affect the Exchange's obligations to protect investors and to maintain fair and orderly markets in options based on the Index.

The Commission finds that the trading of options on the Index may

facilitate transactions in securities, help remove impediments to a free and open securities markets, and promote the interest of investors by providing investors with a means of hedging exposure to market risks associated with the securities issued by the companies in the Gold/Silver index. The proposed rule change will allow investors uninterrupted use of the Index as an additional trading and hedging mechanism.

The Commission also finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice thereof in the **Federal Register**. The Commission finds that in the interest of the public and for the protection of investors the proposed rule change should be given accelerated approval to allow for the uninterrupted trading of the Index and to continue listing additional series in the options following the July expiration.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁰ that the proposed rule change (SR-Phlx-00-69) is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²¹

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3269, Amdt. #2]

State of North Dakota

In accordance with notices from the Federal Emergency Management Agency, dated July 21 and 24, 2000, the above-numbered Declaration is hereby amended to include the following counties in the State of North Dakota as a disaster area due to damages caused by severe storms, flooding, and ground saturation: Barnes, Burleigh, Burke, Cavalier, Dickey, Emmons, LaMoure, Logan, Morton, Montrail, Oliver, Pembina, Richland, Renville, Rolette, Sargent, Steele, Stutsman, Towner, and Ward. This Declaration is further amended to establish the incident period for this disaster as beginning on April 5, 2000 and continuing through July 21, 2000.

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: Divide, Dunn, Grant, McIntosh, McKenzie, Sioux, Stark, and Williams Counties in North Dakota; Brown, Campbell, Corson, Marshall, McPherson, and Roberts Counties in South Dakota; and Traverse County, Minnesota. Any counties contiguous to the above-named primary counties and not listed herein have been previously declared.

The economic injury number for the State of South Dakota is 9H8800.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is August 26, 2000 and for economic injury the deadline is March 27, 2001.

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

Dated: July 25, 2000.

James E. Rivera,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 00-19460 Filed 8-1-00; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 3379]

Bureau of Educational and Cultural Affairs Request for Proposals; Office of Citizen Exchanges; Community Connections Program: U.S. Hosting

SUMMARY: The Office of Citizen Exchanges of the Bureau of Educational and Cultural Affairs announces an open competition for the Community Connections Program: U.S. Hosting. Public and private non-profit organizations meeting the provisions described in IRS regulation 26 CFR 1.501(c) may submit proposals to organize and implement Community Connections, a community-based, professional exchange program for business entrepreneurs and other professionals from Russia, Ukraine, Moldova, Armenia, Belarus, Georgia, Azerbaijan and Kazakhstan. The objective of Community Connections is to enhance the participants' skills in business and entrepreneurship, law, local governance, management, infrastructure development, curriculum development, and other professional-level fields. The Bureau is interested in proposals that provide both professional experience and exposure to American life and culture through internships hosted by U.S. businesses and other local institutions, and home stays with local community members. An overall objective of Community Connections is to establish long-term lasting

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ See July 17, 2000, *supra* note 11.

¹⁸ See *supra* note 3.

¹⁹ See *supra* note 3.

²⁰ 15 U.S.C. 78s(b)(2).

²¹ 17 CFR 200.30-3(a)(12).