

On October 28, 2003, the NYSE filed Amendment No. 1 to the proposed rule change.<sup>5</sup> This order approves the proposed rule change, as amended.

## II. The Amended Proposal

As more fully discussed in the Commission's Notice,<sup>6</sup> the Exchange's amended proposal removes previous requirements that an issuer seeking to voluntarily delist a security from the NYSE obtain approval of its audit committee; notify 35 of its largest shareholders of the proposed delisting; and publish a press release announcing the proposed delisting. Under the amended proposal, the issuer is required only to furnish the Exchange with a certified board resolution evidencing board approval of the delisting.

In simplifying the voluntary delisting process, the amended proposal continues an evolution that began in 1999 when the Exchange amended its Rule 500 to remove the requirement of a shareholder vote ("1999 Amendment").<sup>7</sup> In approving the 1999 Amendment, the Commission directed the Exchange to review periodically the shareholder notification requirement of NYSE Rule 500 to determine whether it remained warranted and consistent with the protection of investors.

## III. Summary of Comments

Two of the commenters supported the proposal,<sup>8</sup> noting that eliminating the delisting requirements in NYSE Rule 500 should create a more level playing field for markets trading securities currently listed on the NYSE by bringing the NYSE's requirements in line with the requirements of other exchanges.<sup>9</sup> The other of these commenters expresses its view that NYSE Rule 500, even after the 1999

Amendment, still represents a significant impediment to delisting by functioning as an anti-competitive tool by which the NYSE has prevented the migration of listed companies to other exchanges.<sup>10</sup>

Two of the commenters argue that the proposal does not go far enough to facilitate voluntary delisting from the Exchange.<sup>11</sup> One of these commenters suggests that the proposal should require the NYSE to approve delisting notifications by issuers in good standing as a routine item.<sup>12</sup> The other commenter suggests that the NYSE clarify two issues in its proposal. First, NYSE should make clear that when an issuer applies to the Commission for voluntary delisting, trading of the stock on the NYSE would be suspended during the pendency of the application. Second, this commenter recommends that NYSE amend the proposal to delete the requirements that the issuer apply for delisting on the Exchange and provide a certification of the resolution of the board of directors regarding delisting.

In response to the concerns expressed by the commenters, NYSE submitted Amendment No. 1 to the proposal. In Amendment No. 1, NYSE proposes to add a representation to clarify its policy with respect to the suspension of securities during the pendency of an issuer's application to delist from the Exchange.

## IV. Discussion

After careful consideration, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>13</sup> Specifically, the Commission believes that the amended proposal is consistent with section 6(b)(5) of the Act,<sup>14</sup> which requires, among other things, that the rules of an exchange be designed 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 Commission also

believes the amended proposal is consistent with section 11A(a)(1)(C)(ii) of the Act, which states that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure fair competition between exchange markets.<sup>15</sup> Specifically, by reducing the restrictions imposed on issuers that wish to delist their securities from the Exchange, the Commission believes that the amended proposal should remove a significant barrier to intermarket competition within the national market system.

## V. Conclusion

For the reasons discussed above, the Commission finds that the amended proposal is consistent with the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>16</sup> that the proposed rule change, as amended (SR-NYSE-2003-23), be, and hereby is, approved.

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

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

[FR Doc. 03-27854 Filed 11-4-03; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48697; File No. SR-PCX-2003-58]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Exchange Fees and Charges

October 24, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on October 14, 2003, the Pacific Exchange, Inc. ("PCX" 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>1</sup> 15 U.S.C. 78k-1(a)(1)(C)(ii).

<sup>2</sup> *Id.*

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

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

<sup>5</sup> See letter from Darla C. Stuckey, Corporate Secretary, NYSE, to Nancy J. Sanow, Esq., Assistant Director, Division of Market Regulation, Commission, dated October 27, 2003 ("Amendment No. 1"). In Amendment No. 1, the NYSE proposes to delete the words "apply to" from the rule text and to add the following sentence regarding suspension of trading to the Purpose section of the filing: "The Exchange notes that in the case of a voluntary transfer to another listed market, the Exchange would suspend trading the security being voluntarily delisted as of the close of business on the trading day preceding the date the issuer has arranged to commence trading in the other market. This is the process followed by other listed markets when an issuer traded there transfers its listing to the Exchange." Because this is a technical amendment, it is not subject to notice and comment.

<sup>6</sup> See *supra* note 3, at 7-10. A full description of the proposal is contained in the Notice.

<sup>7</sup> See Securities Exchange Act Release No. 41634 (July 21, 1999), 64 FR 40633 (July 27, 1999) (SR-NYSE-97-31).

<sup>8</sup> See ICI Letter and ABC Letter, *supra* note 4.

<sup>9</sup> See ICI Letter, *supra* note 4.

<sup>10</sup> See ABC Letter, *supra* note 4.

<sup>11</sup> See Peake Letter and Nasdaq Letter, *supra* note 4.

<sup>12</sup> See Peake Letter, *supra* note 4. In addition, this commenter makes several points regarding Commission Rule 12d2-2 under the Act and separating regulation from trading on the NYSE. As neither issue is squarely raised by the proposal, this order will not address those comments.

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

<sup>14</sup> 15 U.S.C. 78f(b)(5).

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

The PCX is proposing to amend its Schedule of Fees and Charges by eliminating its Order Cancellation Fee. The text of the proposed rule change is set forth below. Proposed new language is in *italics*; proposed deletions are in [brackets].

\* \* \* \* \*

### SCHEDULE OF FEES AND CHARGES FOR EXCHANGE SERVICES

#### PCX OPTIONS: TRADE-RELATED CHARGES

[ORDER CANCELLATION \$1.00 per MFI order canceled

Except as provided herein, the fee only applies to orders canceled through the MFI in any month where the total number of orders canceled through the MFI by the executing Clearing Member exceeds the total number of orders that same firm executed through the MFI in that same month. This fee does not apply to executing Clearing Members canceling less than 500 orders through the MFI in a month. The MFI fee will also not apply to cancel requests on invalid orders (the option has already expired and the Exchange has purged it from its system); invalid symbols (a symbol that does not refer to a valid option traded on the Exchange); or invalid series (a series that is not recognized by or traded on the Exchange.)

\* \* \* \* \*

## 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 PCX 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 Exchange has established an Order Cancellation Fee in order to address operational problems and costs resulting from the practice of market participants canceling orders immediately after they place such

orders through the Exchange's Member Firm Interface ("MFI").<sup>3</sup> Recently, the Exchange modified the Fee to exclude invalid orders (the option has already expired and the Exchange has purged it from its system); orders with an invalid symbol (a symbol that does not refer to a valid option traded on the Exchange); or orders with an invalid series (a series that is not recognized or traded by the Exchange).<sup>4</sup> However, despite this modification, the Exchange is still required to include certain orders, such as partial executions with a partial cancellation or a cancel of the balance and partially executed or cancel requests on expired orders in its definition of "cancelled orders." The Exchange notes that the primary purpose of the Fee was to rectify the problem of participants immediately canceling orders and thereby gaming the system. It was not intended to preclude participants from making reasoned business decisions that may result in a cancel order.<sup>5</sup> For this reason, the Exchange no longer believes that the Order Cancellation Fee is the appropriate vehicle to remedy the concern of excessive cancels. It therefore seeks to eliminate it from its Schedule of Fees and Charges.

#### 2. Statutory Basis

The Exchange believes that the proposal is consistent with section 6(b) of the Act,<sup>6</sup> in general, and section 6(b)(4) of the Act,<sup>7</sup> in particular, in that it provides for the equitable allocation of reasonable fees among its members.

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

The Exchange does not believe that the proposed rule change will impose

<sup>3</sup> See Securities Exchange Act Release No. 45262 (January 9, 2002), 67 FR 2266 (January 16, 2002) (Notice of Filing and Immediate Effectiveness of SR-PCX-2001-47).

<sup>4</sup> See Securities Exchange Act Release No. 48031 (June 13, 2003), 68 FR 37189 (June 23, 2003) (Notice of Filing and Immediate Effectiveness of SR-PCX-2003-25).

<sup>5</sup> Specifically, PCX represents that a Clearing Member may enter an order into MFI that is partially executed on the Exchange, leaving an unexecuted residual portion of the order in the Clearing Member's system. The Clearing Member must submit a cancel request to delete the unexecuted residual portion of the order from its system. In such situations, PCX does not believe the Clearing Member should be subject to the Order Cancellation Fee (assuming the threshold test for imposing the fee is met), because the Clearing Member is making a reasoned business decision that results in a cancel request. Telephone conversation between Mai Shiver, Senior Attorney, Regulatory Policy, PCX and Gordon Fuller, Counsel to the Assistant Director, and Elizabeth MacDonald, Attorney, Division of Market Regulation, SEC, October 20, 2003.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder because it changes a fee imposed by the PCX. 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.<sup>10</sup>

## 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 PCX. All submissions should refer to File No. SR-PCX-2003-58 and should be submitted by November 26, 2003.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> See 15 U.S.C. 78(b)(3)(C).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-27853 Filed 11-4-03; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Reporting and Recordkeeping Requirements Under OMB Review

**AGENCY:** Small Business Administration.

**ACTION:** Notice of Reporting Requirements Submitted for OMB 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:** Submit comments on or before December 5, 2003. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

**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.

**ADDRESSES:** Address all comments concerning this notice to: Agency Clearance Officer, Jacqueline White, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416; and

*David\_Rostker@omb.eop.gov*, fax number 202-395-7285 Office of Information and Regulatory Affairs, Office of Management and Budget.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Agency Clearance Officer, (202) 205-7044.

**SUPPLEMENTARY INFORMATION:**

*Title:* Military Reservist Economic Injury Disaster Loan Application.

*No.:* 5R.

*Frequency:* On Occasion.

*Description of Respondents:* Business Application for the Pre-Disaster mitigation loan program.

*Responses:* 98.

*Annual Burden:* 196.

**Jacqueline White,**

*Chief, Administrative Information Branch.*

[FR Doc. 03-27871 Filed 11-4-03; 8:45 am]

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Amendment to Federal Register/Vol. 68, No. 88/May 7, 2003/Notices; Trade Policy Staff Committee; Invitation for Non-Governmental Organizations, Corporate Sponsors and Private Foundations To Volunteer Trade Capacity Building Assistance in Support of the U.S.-Central America Free Trade Agreement

**AGENCY:** Office of the United States Trade Representative, United States Agency for International Development.

**ACTION:** Request for Submissions to volunteer trade capacity building assistance.

**SUMMARY:** The United States aims to attract additional resource partners that can legitimately contribute to the trade capacity building efforts in support of the US-Central America Free Trade Agreement (CAFTA). The TPSC gives notice that, on behalf of the U.S. Government, the Office of the United States Trade Representative and the United States Agency for International Development seek to expand the circle of resource partners to non-governmental organizations (NGOs), corporate sponsors and private foundations that are prepared to provide self-funded assistance to conduct trade capacity building efforts in support of the CAFTA subject to (1) the priorities set by Central American countries in their national trade capacity building strategies; (2) the coordination efforts of the U.S. interagency trade capacity working group to, among other reasons, promote transparency; and (3) consistency with U.S. Government policy. Interested parties should present a brief description of their potential contribution. This Request for Submission does not constitute a request for proposals/applications for funding from the United States Trade Representative, the United States Agency for International Development, or any other agency of the United States Government (USG). Any future requests for proposals/applications will be advertised on FedBizOpps or FedGrants, as appropriate. If any assistance opportunities or procurement needs are identified as part of the CAFTA process, such needs will be met by the appropriate USG agency in accordance with its internal procedures.

**DATES:** Expressions of interest are welcome throughout the CAFTA negotiations.

**ADDRESSES:** *Submissions by electronic mail:* FR0074@ustr.gov (written comments). *Submissions by facsimile:*

Gloria Blue, Executive Secretary, Trade Policy Staff Committee, at 202/395-6143. The public is strongly encouraged to submit documents electronically rather than by facsimile. (See requirements for submissions below).

**FOR FURTHER INFORMATION CONTACT:** For procedural questions, contact Gloria Blue, Executive Secretary, TPSC, Office of the USTR, 1724 F Street, NW., Washington, DC 20508, telephone (202) 395-3475. Substantive questions should be addressed to Tracy Quilter, Director for Trade Capacity Building, Office of the USTR, telephone (202) 395-2839.

**SUPPLEMENTARY INFORMATION:** The United States has entered into free trade negotiations with five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The agreement seeks to eliminate tariffs and other barriers to trade in goods, agriculture, services, and investment between the United States and the five Central American countries. The participants will seek to complete the negotiations by December 2003.

Nine rounds of negotiations are planned in 2003. To date, six have occurred. Negotiating groups cover the following topics: Market access; investment and services; government procurement and intellectual property; labor and environment; and institutional issues such as dispute settlement. A non-negotiating cooperative group on trade capacity building ("TCB Working Group") has been meeting in parallel with the negotiating groups. The TCB Working Group aims to address, to the extent possible, the needs of the Central American countries for preparing for negotiations, implementation of the agreement and transition to free trade. The USG, in concert with regional institutions such as the Inter-American Development Bank, the World Bank, the Organization of American States, the U.N. Economic Commission for Latin America and the Central American Bank for Economic Integration, has assisted countries in completing national trade capacity building strategies to guide the work of the TCB Working Group. These strategies are intended to identify, define and prioritize each country's needs. The strategies can be found on USTR's Internet server (<http://www.ustr.gov>).

The United States and the Central American countries aim to attract additional resource partners that can legitimately contribute to the trade capacity building efforts in support of the CAFTA. The TPSC gives notice that USTR and USAID, on behalf of the USG, seek to expand the circle of resource

<sup>11</sup> 17 CFR 200.30-3(a)(12).