

the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PCX-2004-34 and should be submitted on or before August 2, 2004.

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

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.¹⁰ In particular, the Commission finds that the proposed rule change is consistent with the requirements of section 6(b)(5) of the Act¹¹ which requires, among other things, 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 to protect investors and the public interest. The Commission believes that the proposed rule change should facilitate the handling of Satisfaction Orders in an efficient and fair manner.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice thereof in the **Federal Register**. As noted above, the proposed rule change incorporates changes into the PCX Rules that correspond to changes made to the Linkage Plan through Joint Amendment No. 11, which was published for public comment in the **Federal Register** on May 19, 2004.¹² The Commission received no comments in response to publication of Joint Amendment No. 11. The Commission believes that no new issues of regulatory concern are being raised by PCX's proposed rule change. The Commission believes, therefore, that granting accelerated approval of the proposed rule change, as amended, is appropriate and consistent with sections 6 and 19(b) of the Act.¹³

V. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁴ that the proposed rule change, as amended, (SR-

PCX-2004-34) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04-15687 Filed 7-9-04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49968; File No. SR-Phlx-2004-27]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to a Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to the Processing of Satisfaction Orders Following a Trade-Through Pursuant to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage

July 2, 2004.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 23, 2004, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Phlx is proposing to amend Exchange Rule 1085 to modify the method in which following a Trade-Through,³ the Exchange processes Satisfaction Orders⁴ pursuant to the Linkage Plan when there is a change in the status of the underlying customer order.

¹⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A "Trade-Through" is a transaction in an options series at a price that is inferior to the National Best Bid or Offer. See Section 2(29) of the Linkage Plan and Exchange Rule 1083(t).

⁴ A "Satisfaction Order" is defined as an order sent through the Options Intermarket Linkage to notify a Participant of a Trade-Through and to seek satisfaction of the liability arising from that Trade-Through. See Section 2(16)(c) of the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage ("Linkage Plan") and Exchange Rule 1083(k)(iii).

The text of the proposed rule change is available at the Exchange and at the Commission.

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 Phlx included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it had 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this filing is to enhance the manner in which the Phlx processes Satisfaction Orders following a Trade-Through, which also is the subject of a recent amendment to the Linkage Plan.⁵ If the displayed price that is traded through represents a customer order, the Phlx specialist representing that order can send a Satisfaction Order requiring the member on the exchange that caused the Trade-Through to satisfy the customer order.⁶ The proposed rule change would modify the manner in which Satisfaction Orders are processed in three ways.

First, the size of the Satisfaction Order would be limited to the lesser of the size of the customer order traded through and the size of the transaction that caused the Trade-Through. Currently, Section 8(c)(ii)(B)(2) of the Linkage Plan and Exchange Rule 1085 permits a Satisfaction Order to be submitted for the full size of the customer order traded through, regardless of the size of the transaction that caused the Trade-Through. Under the proposal, a Satisfaction Order would be limited to the lesser of the size of the Verifiable Number of Customer Contracts⁷ in the

⁵ See Securities Exchange Act Release No. 49691 (May 12, 2004), 69 FR 28954 (May 19, 2004) (File No. 4-429) (Notice of filing Joint Amendment No. 11 to the Linkage Plan).

⁶ See Sections 7(a)(ii)(D) and 8(c)(ii) of the Linkage Plan.

⁷ "Verifiable Number of Customer Contracts" is defined as the number of Customer contracts in the book of a Participant. See Section 2(30) of the Linkage Plan. A "Participant" is defined as an Eligible Exchange whose participation in the

¹⁰ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78f(b)(5).

¹² See *supra* note 5.

¹³ 15 U.S.C. 78f and 78s(b).

¹⁴ 15 U.S.C. 78s(b)(2).

disseminated bid or offer that was traded through, or the size of the transaction that caused the Trade-Through.

Second, the Exchange proposes to amend its rules concerning the cancellation of pending Satisfaction Orders if the underlying customer order is executed or canceled. Currently, Exchange Rule 1085 and the Linkage Plan⁸ permit a Phlx specialist that sends a Satisfaction Order to reject a message from the receiving exchange that the customer order has been satisfied (hereinafter, a "fill" of that Satisfaction Order) if the underlying customer order has been executed on the Phlx or has been canceled while the Satisfaction Order is being processed. There is, however, no current requirement for the Phlx specialist to cancel the pending Satisfaction Order if the underlying customer order is executed or canceled. Therefore, the Phlx specialist may send a rejection of a fill of a Satisfaction Order that might have been avoided if the pending Satisfaction Order had been canceled when the underlying customer order was executed or canceled. The proposed rule change is intended to address this issue by requiring the exchange that sends a Satisfaction Order to cancel such Satisfaction Order when the underlying customer order has been executed or canceled.

Third, as noted above, a specialist that sends a Satisfaction Order currently may reject a fill of such Satisfaction Order if the underlying customer order is executed or canceled while the Satisfaction Order is pending. The proposed rule change would limit the circumstances under which the sender of a Satisfaction Order could reject a fill of that order when the underlying customer order is executed or canceled while the Satisfaction Order is pending. Specifically, the sender of the Satisfaction Order would not be permitted to reject such a fill when the sender, itself, trades against the underlying customer order while the Satisfaction Order is pending. The Exchange believes that this provision should ensure that the sender of a Satisfaction Order would not be permitted to reject a fill of the Satisfaction Order when it executes

Linkage Plan has become effective pursuant to Section 4(c) of the Linkage Plan. See Section 2(24) of the Linkage Plan. Currently, the Participants in the Linkage Plan are the International Securities Exchange, Inc., the American Stock Exchange LLC, the Chicago Board Options Exchange, Inc., the Pacific Exchange, Inc., the Phlx, and the Boston Stock Exchange, Inc.

⁸ See Section 8(c)(ii)(C) of the Linkage Plan.

against the underlying customer order for its own account.

2. Statutory Basis

The Exchange believes that the proposed rule is consistent with section 6(b) of the Act,⁹ in general, and furthers the objectives of section 6(b)(5)¹⁰ in particular in that it is designed to perfect the mechanisms of a free and open market and the national market system, protect investors and the public interest, and promote just and equitable principles of trade by providing enhancements to the current method of Satisfaction Order processing.

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 solicited or received with respect to the proposed rule change.

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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2004-27 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-Phlx-2004-27. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-Phlx-2004-27 and should be submitted on or before August 2, 2004.

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

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹¹ In particular, the Commission finds that the proposed rule change is consistent with the requirements of section 6(b)(5) of the Act¹² which requires, among other things, 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 to protect investors and the public interest. The Commission believes that the proposed rule change should facilitate the handling of Satisfaction Orders in an efficient and fair manner.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice thereof in the **Federal Register**. As noted above, the proposed rule change incorporates changes into the Phlx Rules that correspond to changes made to the Linkage Plan through Joint Amendment No. 11, which was published for public comment in the **Federal Register** on May 19, 2004.¹³ The Commission

¹¹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹² 15 U.S.C. 78f(b)(5).

¹³ See *supra* note 5.

received no comments in response to publication of Joint Amendment No. 11. The Commission believes that no new issues of regulatory concern are being raised by Phlx's proposed rule change. The Commission believes, therefore, that granting accelerated approval of the proposed rule change is appropriate and consistent with sections 6 and 19(b) of the Act.¹⁴

V. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁵ that the proposed rule change (SR-Phlx-2004-27) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04-15686 Filed 7-9-04; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3578]

State of Iowa; Amendment #4

In accordance with a notice received from the Department of Homeland Security—Federal Emergency Management Agency, effective July 2, 2004, the above numbered declaration is hereby amended to include Appanoose, Davis, Des Moines, Hamilton, Henry, Louisa, Lucas, Monroe, Muscatine, Scott, Wapello, Washington, and Wayne Counties as disaster areas due to damages caused by severe storms, tornadoes, and flooding occurring on May 19, 2004, and continuing.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Decatur, Jefferson, Lee, and Van Buren in the State of Iowa; Henderson and Mercer Counties in the State of Illinois; and Mercer, Putnam, Schuyler, and Scotland Counties in the State of Missouri may be filed until the specified date at the previously designated location. All other counties contiguous to the above named primary counties have been previously declared.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is July 26, 2004, and for economic injury the deadline is February 25, 2005.

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

Dated: July 2, 2004.

Cheri L. Cannon,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 04-15739 Filed 7-9-04; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3590]

Commonwealth of Kentucky; Amendment #3

In accordance with a notice received from the Department of Homeland Security—Federal Emergency Management Agency, effective July 2, 2004, the above numbered declaration is hereby amended to include Boyd, Carter, Greenup, and Jackson Counties as disaster areas due to damages caused by severe storms, tornadoes, flooding, and mudslides occurring on May 26, 2004 and continuing through June 18, 2004.

In addition, applications for economic injury loans from small businesses located in the contiguous county of Lawrence in the State of Ohio may be filed until the specified date at the previously designated location. All other counties contiguous to the above named primary counties have been previously declared.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is August 9, 2004, and for economic injury the deadline is March 10, 2005.

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

Dated: July 2, 2004.

Cheri L. Cannon,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 04-15740 Filed 7-9-04; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Public Federal Regulatory Enforcement Fairness Hearing; Region X Regulatory Fairness Board

The Small Business Administration Region X Regulatory Fairness Board and the SBA Office of the National Ombudsman will hold a Public Hearing on Tuesday, July 27, 2004 at 8:30 a.m. at SBA Seattle District Office, 1200 6th Avenue, Suite 1700, Seattle, WA 98101, to receive comments and testimony from small business owners, small government entities, and small non-profit organizations concerning regulatory enforcement and compliance actions taken by federal agencies. The

hearing will be simultaneously teleconferenced to the SBA Spokane Branch Office, 801 West Riverside Avenue, Suite 240, Spokane, WA 99201. In Seattle the hearing will be translated into Mandarin Chinese.

Anyone wishing to attend or to make a presentation must contact Roger Hopkins in writing or by fax, in order to be put on the agenda. Roger Hopkins, Economic Development Specialist, Public Information Officer, SBA Seattle District Office, 1200 6th Avenue, Suite 1700, Seattle, WA 98101, phone (206) 553-7082, fax (206) 553-7066, e-mail: roger.hopkins@sba.gov.

For more information, see our Web site at <http://www.sba.gov/ombudsman>.

Dated: July 6, 2004.

Peter Sorum,

Senior Advisor, Office of the National Ombudsman.

[FR Doc. 04-15738 Filed 7-9-04; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 4757]

Meetings of the U.S.-Chile Environment Affairs Council and the U.S.-Chile Joint Commission for Environmental Cooperation

ACTION: Notice and request for comments.

SUMMARY: The Department of State and the Office of the United States Trade Representative are providing notice that, as set forth in Chapter 19 (Environment) of the U.S.-Chile Free Trade Agreement (FTA), the two governments intend to hold the first meeting of the Environment Affairs Council (the "Council") in Santiago on July 22, 2004. Immediately following this meeting, the U.S.-Chile Joint Commission for Environmental Cooperation (the "Commission"), established under the U.S.-Chile Environmental Cooperation Agreement (ECA), will hold its inaugural meeting. The purpose of the two meetings is detailed below under **SUPPLEMENTARY INFORMATION**. A joint public session will also be held in conjunction with these meetings. In this notice, the Department of State and USTR are requesting: (1) Written comments from the public regarding agenda items for the Council meeting; (2) written comments regarding the eight cooperative projects listed in Annex 19.3 of Chapter 19 (Environment) of the FTA; and (3) written suggestions for bilateral environmental cooperation between the United States and the Republic of Chile in the priority areas

¹⁴ 15 U.S.C. 78f and 78s(b).

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ 17 CFR 200.30-3(a)(12).