

million from one or more commercial banks or other institutions under one or more new term loan and/or revolving credit facilities ("New Loan Agreement") entered into on or before February 1, 2006. Each New Loan Agreement would provide for interest at negotiated market rates but, in any case, not in excess of the greater of (i) 150 basis points above the greater of (a) the lending bank's or other recognized prime rate and (b) 50 basis points above the federal funds rate, (ii) 200 basis points above the specified London Interbank Offered Rate plus any applicable reserve requirement, (iii) a negotiated fixed rate which, in any event, would not exceed 300 basis points above the treasury bond rate with an identical average life, or (iv) a rate equal to the average domestic money bid rate for certificates of deposit of similar maturities, plus up to 100 basis points and any applicable reserve requirements; and would include other customary terms and conditions. Loans under each New Loan Agreement would have a maturity of up to 20 years and may be evidenced by promissory notes. Proceeds of borrowings under the New Loan Agreement would be used to repay all or a portion of the outstanding borrowings under the FUNB Loan Agreement. The balance would be used for working capital and other corporate purposes.

In order to enable Service Company to borrow at more favorable rates and other terms, GPU proposes, from time to time through February 1, 2006, to enter into guaranty agreements in favor of the banks or other institutional lenders under the New Loan Agreements to unconditionally guarantee payment of principal, interest and Service Company's other obligations under the New Loan Agreements.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-4740 Filed 2-29-96; 8:45 am]

BILLING CODE 8010-01-M

[Release Nos. 33-7266; 34-36881; File No. 265-20]

Advisory Committee on the Capital Formation and Regulatory Processes; Renewal

AGENCY: Securities and Exchange Commission.

ACTION: Notice of the Renewal of the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes.

SUMMARY: The Chairman of the Commission, with the concurrence of the other member of the Commission, has renewed the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes ("Committee"), which will advise the Commission regarding the informational needs of investors and the regulatory costs imposed on the U.S. securities markets.

ADDRESSES: Written comments should be submitted in triplicate and should refer to File No. 265-20. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: Meridith Mitchell, Assistant General Counsel, Office of the General Counsel, at 202-942-0890; Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: In accordance with the requirements of the Federal Advisory Committee Act, 5 U.S.C. App., the Securities and Exchange Commission has directed publication of this notice that Chairman Arthur Levitt, with the concurrence of the other member of the Commission, has renewed the "Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes." Chairman Levitt certifies that he has determined that the renewal of the Committee is necessary and in the public interest.

The Committee's charter directs the Committee to assist the Commission in evaluating the efficiency and effectiveness of the regulatory process and the disclose requirements relating to public offerings of securities, secondary market trading and corporate reporting, and in identifying and developing means to minimize costs imposed by current regulatory programs, from the perspective of investors, issuers, the various market participants, and other interested persons and regulatory authorities.

The Committee members are able to represent the varied interests affected by the range of issues being considered. The Committee's membership includes, among others, persons who represent investors, issuers, market participants, independent public accountants, regulators and the public at large. The Committee's members are able to represent a variety of viewpoints and have varying experience, and the Committee is fairly balanced in terms of points of view, backgrounds and tasks.

The Chairman of the Committee is Commissioner Steven M.H. Wallman.

The Committee will conduct its operations in accordance with the provisions of the Federal Advisory Committee Act. The duties of the Committee are solely advisory. Determinations of action to be taken and policy to be expressed with respect to matters upon which the Advisory Committee provides advice or recommendations shall be made solely by the Commission.

The Committee will meet at such intervals as are necessary to carry out its functions. It is expected that meetings of the full Committee generally will occur no more frequently than 5 times; meetings of subgroups of the full Advisory Committee will likely occur more frequently. The Securities and Exchange Commission will provide necessary support services to the Committee.

The Committee will terminate on September 30, 1996 unless, prior to such time, its charter is renewed for a further period in accordance with the Federal Advisory Committee Act, or unless the Chairman, with the concurrence of the other members of the Commission, determines that continuance of the Committee is no longer in the public interest.

Concurrent with publication of this notice in the Federal Register, a copy of the charter of the Committee will be filed with the Chairman of the Commission, the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Commerce. A copy of the charter will also be furnished to the Library of Congress and placed in the Commission's Public Reference Room for public inspection.

Dated: February 23, 1996.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-4741 Filed 2-29-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36874; File No. SR-PSE-95-32]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by Pacific Stock Exchange, Inc. to Establish a Competing Specialist Program

February 22, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 21, 1995, the Pacific Stock Exchange, Inc. ("PSE")

or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change, and on February 16, 1996, Amendment No. 1 to the proposed rule change,¹ as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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 PSE is proposing to establish a competing specialist pilot program. The proposal includes specific procedures for competing specialists, including procedures for registration, withdrawal, and participation in the competing specialist program. The Exchange is also proposing to extend its official policies relating to circuit breakers to Competing Specialists.²

The Text of the proposed procedures for competing specialists is as follows:

Pacific Stock Exchange incorporated;
Procedures for Competing Specialists

The following are procedures for the Competing Specialist Pilot Program.

1. Registered Specialists are not eligible to act as Competing Specialists.

2. Applications to compete must be directed to the Equity Floor Trading Committee in writing and must list in order of preference the stock(s) in which the applicant intends to compete. The Equity Floor Trading Committee will consider the following in reviewing an application:

- Financial capability.
- Adequacy of staffing on the Floor.
- Existence of adequate Chinese Wall

Procedures at the applicant firm.

- Agreement of both Registered Specialist to allow trading of specific issues by the Competing Specialist.

3. All applicants must be registered as members with the Exchange and must meet the net capital requirements pursuant to SEC Rule 15c3-1 and capital requirements set

forth in Rule 2.2(b) of the Rules of the Exchange, and conform to all other performance requirements and standards set forth in the Rules of the Exchange. All applicants who control, are controlled by, or are under common control with another person engaged in a securities or related business shall have and maintain appropriate Chinese Wall procedures as approved by a self-regulatory organization. A competing specialist will be subject to all the rules and policies applicable to a regular specialist, unless otherwise indicated.

4. All applicant organizations, existing or newly created, must satisfy the Equity Floor Trading Committee that they have sufficient staffing to enable them to fulfill the functions of a specialist in all of the stocks in which the applicant will be registered as a Competing Specialist.

5. Order flow not specifically designated for a Competing Specialist must be routed to either Registered Specialist. However, a firm that is affiliated with a competing specialist in an issue must designate all PSE order flow to that competing specialist in that issue.

6. In a competitive situation, if the Competing Specialist organization that received approval to compete with the Registered Specialist desires to terminate the competition by requesting that it be relieved of the stock that is the subject of the competition, it should so notify the Equity Floor Trading Committee at least 3 business days prior to the desired effective date of such withdrawal, except in those situations when such notice is not practicable.

7. Any Competing Specialist who withdraws his/her registration in a stock will be barred from applying to compete in that same stock for a period of ninety (90) days following the effective date of withdrawal.

8. Notwithstanding the existence of Competing Specialist situations, there is only one Exchange market in a security subject to competition. Competitors must cooperate with the Registered Specialist regarding openings and reopenings to ensure that they are unitary.

9. Limit orders entrusted to the Competing Specialist are to be represented and executed strictly according to time priority as to receipt of the order on the Exchange in accordance with Exchange rules.

10. Competing Specialists must keep the Registered Specialists informed about the full size of any executable "all or none" orders in their possession since all-or-none orders cannot be represented in the disseminated quote. The Competing Specialist is expected to represent such orders on a "best efforts" basis to ensure the execution of the entire order at a single price or prices, or not at all.

11. The registration of any Competing Specialist may be suspended or terminated by the Equity Floor Trading Committee upon a determination of any substantial or continued failure by such Competing Specialist to engage in dealing in accordance with the Constitution and Rules of the Exchange.

12. The Exchange shall establish an effective date for competition to commerce. Since the Exchange cannot know what the impact of competition will be on its marketplace, it will limit competition during the first year of operation as follows:

a. The total number of stocks in which competition will be permitted shall initially be limited to ten per applicant firm, or a number (not to exceed twenty) as determined by the Board of Governors.

b. No applicant firm will have more than one Competing Specialist.

c. The number of Competing Specialists will be limited to two on each Equity Floor.

d. The number of competitors in any given stock will be limited to three (two Registered Specialists and one Competing Specialist).

e. There will be a quarterly review of the program, or upon request by a Registered Specialist in a specific Competing Specialist issue.

Once the program has operated for one year, the Board of Governors will evaluate it and determine whether to continue the program or to modify its terms.³

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 self-regulatory organization 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 self-regulatory organization 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 proposed rule change is to establish a competing specialist pilot program. Under the proposal, competing specialists are permitted to compete with registered specialist on the floor of the Exchange. Orders are directed either to a registered specialist or the competing specialist in an issue based on each customer's independent decision, but all orders in a stock received by the Exchange are executed in accordance with strict time priority. Once all limit orders at a price level are depleted, each specialist is responsible for the market orders directed to them.

The registered specialists are responsible for updating quotations and coordinating openings and reopenings to ensure that they are unitary. All ITS activity must be cleared through a

³ The Commission notes that the Exchange will be required to file a proposed rule change pursuant to Section 19(b) of the Act before it may modify the terms of the program.

¹ See letter from David P. Semak, Vice President Regulation, to Katherine A. Simmons, Attorney, SEC, dated February 15, 1996. Amendment No. 1 provided additional description of the proposal and changes to the Procedures for Competing Specialists. These additions and changes are incorporated herein.

² Securities Exchange Act Release No. 26368 (December 16, 1988), 53 FR 51942 (December 23, 1996). The PSE filed the rule in the form of an official policy that stated it would cooperate with a request from the Commission to halt trading in all equity and equity-related products traded on the Exchange in conjunction with halted trading at other U.S. markets. The Commission, in approving the PSE's proposed rule change, requested that the PSE implement its policy statement by imposing a trading halt as quickly as practicable whenever the NYSE and other equity markets have suspended trading. See also Securities Exchange Act Release No. 27370 (October 23, 1989), 54 FR 43881, n.5 (October 27, 1989).

registered specialist. To all other markets in the national market system, there is only one PSE market. Trading halts are coordinated through a registered specialist and apply to all competitors in the stock.

Under the proposed competing specialist program, the Exchange's rules governing the auction market principles of priority, parity, and precedence remain unchanged for quotes at the NBBO.⁴ Under the PSE's rules, if two or more specialists are quoting at the NBBO, the earliest bid/offer at that price has time priority and will be filled first up to its specified size.⁵ When none of the specialists are quoting at the NBBO, the competing specialist program permits orders to be executed by a particular specialist at the NBBO or better.⁶ If a particular specialist is not specified, the order is directed to a regular specialist. However, if a routine firm is affiliated with a Competing Specialist, that firm may not route orders to another specialist, but must route them to the member firm's affiliated specialist, thereby preventing member firms affiliated with a specialist from routing non-profitable orders to another specialist when market conditions are unfavorable.⁷

All limit orders will be represented and executed strictly according to time priority on the Exchange.⁸ Incoming orders are first executed against any contra-side limit orders on the Exchange. All specialists may execute their designated order flow unless there is a contra-side limit order on the Exchange or another specialist has a superior quote (with tie priority) at the NBBO.

Where a security is traded on both equity floors, each specialist is responsible for properly coordinating

⁴ See PSE Rules 5.8(a)-(i). PSE Rule 5.8(c) states in part: "When a bid or offer is clearly established as the first made at a particular price regardless of the floor, the maker shall be entitled to priority and shall have precedence on the next sale at that price * * *"

⁵ See PSE Rule 5.8(c).

⁶ For example, assume that the NBBO is 20 bid to 20/18 offered, and specialist A is bidding 19¾ while specialist B is bidding 19½. A market order to sell may be directed to specialist B for execution even though specialist A has a better bid because neither specialist is bidding at the NBBO. Under the competing specialist program, specialist B would execute the order at 20 (the NBBO) or better. If specialist A had been bidding 20 (the NBBO), specialist A would have had priority to execute the order even though it was designated to specialist B.

⁷ As noted above, however, if another specialist is quoting the NBBO and clearly has established priority on the PSE floors, then that specialist will fill the order despite the fact that the order was designated for the affiliated Competing Specialist.

⁸ There is only one PSE market in a particular security, and time priority is maintained among all orders received by the PSE.

and synchronizing orders (and executions) with the corresponding specialist on the other Floor.⁹ PSE specialists currently have the capability to enter their own quotes into P/COAST, and Competing Specialists at the PSE will have the same capability. In addition, the Exchange anticipates having in place by March 31, 1996, a Consolidated Limit Order File, which will allow all of the PSE specialists in a given issue to have access to the information in each other's limit order books.¹⁰

All competing specialists will be evaluated on competing stocks in accordance with the Exchange's Specialist Performance Evaluation Program. In addition, at any time, a registered specialist may request an evaluation of a competing specialist's performance in an issue that is traded by both the registered and competing specialists.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

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

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

No 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 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 the proposed rule change, or

⁹ See PSE Rule 5.8(c).
¹⁰ See letter from David P. Semak, Vice President Regulation, PSE, to Katherine A. Simmons, Attorney, SEC, dated February 20, 1996.

(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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the PSE. All submissions should refer to File No. SR-PSE-95-32 and should be submitted by March 22, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-4824 Filed 2-29-96; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2833]

Pennsylvania (and Contiguous Counties in New Jersey); Declaration of Disaster Loan Area (Amendment #1)

The above-numbered Declaration is hereby amended to reflect new interest rates effective for all disasters which occurred on or after January 24, 1996:

The current interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	7.250
Homeowners without credit available elsewhere	3.625
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (Including non-profit organizations) with credit available elsewhere	7.125