

current investors would not be affected and that future investors in issues issued after June 1, 2002 will have notice of the effect of minimum denominations on their municipal securities positions.

#### 5. Other Suggestions

A.G. Edwards and TBMA both recommended that dealers should be able to correct an erroneous transaction done in a below-minimum denomination amount. If a dealer mistakenly sells a below-minimum denomination position to a customer, such a correction generally would be possible under the second exception in the proposed rule change.<sup>12</sup> Other commentators suggested that the rule should not apply if the issuer failed to state the purpose of its denomination restriction in bond documents or if a below-minimum denomination position was created by an action of the issuer, such as by a partial call. The MSRB notes that issuers do not generally state the purpose of the denominations they choose. Moreover, Rule 15c2-12 provides disclosure exemptions that apply to an issue regardless of whether the issuer states the purpose of its minimum denomination in bond documents or exercises calls that take an investor's authorized position into a below-minimum denomination amount. Therefore, the MSRB has not adopted these suggestions.

#### 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.

<sup>12</sup> There may be unique situations when dealers effect transactions in violation of the rule and cannot reverse the transactions under the second exception. For example, a dealer may unintentionally sell an unauthorized amount of securities to a customer already holding an authorized amount. The transaction would be a violation of the rule, albeit an unintentional one. The MSRB believes the enforcement agencies have enough flexibility that they are not required to further penalize the dealer if the dealer corrects the situation by reversing the transaction.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the forgoing, including whether the proposed rule change is consistent with the Act. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submissions, 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 the filing will also be available for inspection and copying at the MSRB's principal offices. All submissions should refer to File SR-MSRB-2001-07 and should be submitted by January 18, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

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

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45167; File No. SR-PCX-2001-49]

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

December 18, 2001.

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 December 3, 2001, the Pacific Exchange, Inc. ("PCX") filed with the Security and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which the PCX has prepared. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

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

The PCX proposes to change its marketing fee for certain options and to declare a marketing fee for recently listed options. A copy of the proposed new Schedule of Fees and Charges for Exchange Services is available at the PCX 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 PCX 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 IV below. The PCX has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of the statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The PCX recently adopted a payment-for-order-flow program under which it charges a marketing fee ranging from \$0 to \$1.00 per contract on a per-issue basis.<sup>3</sup> The PCX segregates the funds from this fee by trading post and makes the funds available to Lead Market Makers for their use in attracting orders in the options traded at the posts. The PCX charges the marketing fees in the amounts set forth in its Schedule of Fees and Charges for Exchange Services, hereinafter referred to as the "Schedule of Rates."

The PCX proposes to amend its Schedule of Rates in order to change the marketing fee that it charges for certain options and to adopt new marketing fees for newly listed options, beginning with the start of the December trade month and continuing until further notice. Only the amount of the fee is being changed.<sup>4</sup> The PCX believes that the

<sup>3</sup> See Securities Exchange Act Release No. 44830 (September 21, 2001), 66 FR 49728 (September 28, 2001) (SR-PCX-2001-37).

<sup>4</sup> The PCX proposes to change only the amounts of the fees that it charges for transactions in the options that are included in the proposed amended Schedule of Rates. Any fees currently being charged for transactions in options that are not listed in this amendment to the Schedule of Rates would not be affected by the proposed rule change. Telephone conversation between Mai Shiver, Senior Attorney, PCX, and Patrick Joyce, Special Counsel, Division of Market Regulation, Commission, on December 10, 2001.

proposed rule change has been designed to enable the PCX to compete with other markets in attracting options business, and that the proposed rule change is therefore reasonable and equitable.

## 2. Basis

The PCX believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>5</sup> particularly Section 6(b)(4) of the Act,<sup>6</sup> in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members.

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

The PCX 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*

The PCX neither solicited nor received any written comments on the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the PCX has designated the foregoing as a fee change pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and Rule 19b-4(f)(2) thereunder,<sup>8</sup> the proposal has become effective immediately upon filing with the Commission. At any time within 60 days after the filing of the proposed rule change, the Commission may summarily abrogate the 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 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, 450 Fifth Street, NW., Washington, DC 20549. 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-2001-49 and should be submitted by January 18, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-31871 Filed 12-27-01; 8:45 am]

**BILLING CODE 8010-01-M**

## SMALL BUSINESS ADMINISTRATION

### Interest Rates

The Small Business Administration publishes an interest rate called the optional "peg" rate (13 CFR 120.214) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 4.625 (4 <sup>5</sup>/<sub>8</sub>) percent for the January-March quarter of FY 2002.

**LeAnn M. Oliver,**

*Deputy Associate Administrator for Financial Assistance.*

[FR Doc. 01-31951 Filed 12-27-01; 8:45 am]

**BILLING CODE 8025-01-P**

## SMALL BUSINESS ADMINISTRATION

### Region 1—Maine District Advisory Council; Public Meeting

The U.S. Small Business Administration Augusta, Maine District Advisory Council, will hold a public meeting at 10:00 a.m. February 5th, 2002 at 68 Sewall Street, Room 510, Augusta, Maine to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

Anyone wishing to make an oral presentation to the Board must contact Mary MaAleney, in writing by letter or fax no later than January 25th, 2002, in order to be put on the agenda. Please direct questions to Mary MaAleney,

District Director, U.S. Small Business Administration, 68 Sewall Street, Room 512, Augusta, Maine 04330, (201) 622-8386 phone, (207) 622-8277 fax. For further information, write or call Mary McAleney, District Director, U.S. Small Business Administration, 68 Sewall Street, Room 512, Augusta, Maine 04330, (207) 622-8386 phone, (207) 622-8277 fax.

**Steve Tupper,**

*Committee Management Officer.*

[FR Doc. 01-31952 Filed 12-27-01; 8:45 am]

**BILLING CODE 8025-01-P**

## SOCIAL SECURITY ADMINISTRATION

### Modifications to the Disability Determination Procedures; Extension of Disability Claims Process Redesign Prototype and Test of Single Decisionmaker Model

**AGENCY:** Social Security Administration.

**ACTION:** Notice of the extension of two tests involving modifications to the disability determination procedures.

**SUMMARY:** We are announcing the extension of two tests of modifications to our disability determination procedures that we are conducting under the authority of current rules codified at 20 CFR 404.906 and 416.1406. These rules provide authority to test several modifications to the disability determination procedures that we normally follow in adjudicating claims for disability insurance benefits under title II of the Social Security Act (the Act) and for supplemental security income payments based on disability under title XVI of the Act. We have decided to extend selection of cases for six months while we identify the most positive elements of the tests for rollout, and to enable us to address transition issues.

**DATES:** We are extending our selection of cases to be included in these tests from December 31, 2001 until no later than June 28, 2002. If we decide to continue selection of cases for these tests beyond this date, we will publish another notice in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** Phil Landis, Director, Disability Process Redesign Staff, Office of Disability, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland, 21235, 410-965-5388.

**SUPPLEMENTARY INFORMATION:** Current regulations at 20 CFR 404.906 and 416.1406 authorize us to test, individually or in any combination, several different modifications to the disability determination procedures. We

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

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f).

<sup>9</sup> 17 CFR 200.30-3(a)(12).