the Board's principal offices. All submissions should refer to File No. SR–MSRB–98–3 and should be submitted by April 14, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[14]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–7518 Filed 3–23–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39764; File No. SR–PCX–98–03]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to a Change in the Lead Market Marker Staffing Charges

March 16, 1998.

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 January 26, 1998, the Pacific Exchange, Inc. (''PCX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization.[3] 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 PCX is proposing to modify its staffing charge that is currently applicable to Lead Market Makers (''LMMs'') who participate in the Exchange's LMM Book Pilot Program. The text of the proposed rule change is attached as Exhibit A.

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

On October 11, 1996, the Commission approved an Exchange proposal to adopt the LMM Book Pilot Program under which a limited number of LMMs would be permitted to assume operational responsibility for the options public limit order book (''Book'') in a limited number of issues (''LMM Book Pilot Program'' or ''Program'').[4] On October 28, 1996, the Commission approved an Exchange proposal to establish a staffing charge to LMMs who participate in the LMM Book Pilot Program.[5] This charge is currently set at $0.50 per contract for each contract executed by the Book under the LMM Book Pilot Program, subject to a minimum monthly charge of $200 and a maximum monthly charge of $16,000.

The Exchange is now proposing to eliminate the current staffing charge and to replace it with a tiered rate structure. As with the existing staffing charge, the new charge will apply individually to each LMM who is participating in the Program. It will also continue to apply to all option contracts executed by the Book per month in all option issues collectively traded by an LMM under the Program. The new rates are as follows. For up to and including the first 15,000 option contracts executed by the Book in Program issues traded by an LMM per trade month, the charge will be $0.10 per contract. For the next tier, covering from 15,001 to 30,000 contracts, the charge will be $0.20 per contract. For the next tier, covering from 30,001 to 55,000 contracts, the charge will be $0.30 per contract. For the final tier, covering all contracts over 55,000 contracts, the charge will be $0.20 per contract.

For example, assume an LMM trades five option issues under the Program, and during the month of December, the Book executed a total of 25,000 contracts in those five issues. The Exchange would assess the LMM a staffing charge of $1,500 for contracts executed under the first tier (15,000 × $0.10), plus $2,000 for contracts executed under the second tier (10,000 × $0.20), for a total staffing charge for December of $3,500.

The staffing charge is intended to cover the Exchange's cost of providing staff to assist the LMM in operating the Book. The Exchange is modifying the current charge in order to encourage additional LMMs to participate in the LMM Book Pilot Program.[6] By expanding participation in the program, the Exchange will improve its competitive posture by giving its LMM participants the ability to lower transaction costs to the customer and thus to heighten competition with other options exchanges for order flow in issues included in the Program.

The proposal is consistent with Section 6(b) of the Act, in general and Section 6(b)(4), in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among Exchange members.

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

The Exchange 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

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) of the Act and subparagraph (e) of Rule 19b–4 thereunder because it constitutes or changes a due, fee, or other charge imposed by the Exchange. 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.

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[14] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] On March 12, 1998, PCX submitted Amendment No. 1, which made a technical correction and clarification to the filing. *See* Letter from Michael D. Pierson, Senior Attorney, Regulatory Policy, PCX, to Marie Ito, Special Counsel, Division of Market Regulation, Commission, dated March 11, 1998.

[4] *See* Exchange Act Release No. 37810 (October 11, 1996), 61 FR 54481 (October 18, 1996).

[5] *See* Exchange Act Release No. 37874 (October 28, 1996), 61 FR 56597 (November 1, 1996).

[6] Under the terms of the LMM Book Pilot Program, no more than nine LMMs are permitted to participate in the program. Currently, there are three LMMs participating in the program.

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, 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 in the Commission's Public Reference Room, 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 PCX. All submissions should refer to File No. SR–PCX–98–03 and should be submitted by April 14, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[7]

Margaret H. McFarland,

Deputy Secretary.

Exhibit A—Pacific Exchange, Inc.

Additions are italicized; deletions are bracketed.

Schedule of Fees and Charges for Exchange Services

* * * * *

PSE Options: Trade-Related Charges

* * * * *

BOOK EXECUTION CHARGE

Charge per contract		
Premium	1st 10 contracts	11th contract and above
No change	No change	No change.

This charge does not apply to option contracts that are subject to the LMM Book Pilot Program.

LMM Book [Pilot]

Program Staffing Charge

[$0.50 per contract, subject to a minimum monthly charge of $200 and a maximum monthly charge of $16,000.]

LMM monthly book contracts	Charge per book contract	Maximum charge per rate tier
First 15,000	*$0.10*	*$1,500.00.*
Next 15,000	*0.20*	*$3,000.00.*
Next 25,000	*0.30*	*$7,500.00*
All contracts above 55,000	*0.20*	*No maximum.*

Book staffing charge is applied to the monthly total of all book contracts in all option issues collectively traded by an LMM under the program.

[FR Doc. 98–7593 Filed 3–23–98; 8:45 am]

BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3066]

State of Alabama

As a result of the President's major disaster declaration on March 9, 1998, and an amendment thereto on March 10, I find that Coffee, Covington, Dale, Escambia, Geneva, and Houston Counties in the State of Alabama constitute a disaster area due to damages caused by severe storms and flooding beginning on March 7, 1998 and continuing. Applications for loans for physical damages may be filed until the close of business on May 8, 1998, and for loans for economic injury until the close of business on December 9, 1998 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308

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 above location: Baldwin, Barbour, Butler, Conecuh, Crenshaw, Henry, Monroe, and Pike Counties in Alabama; Escambia, Holmes, Jackson, Okaloosa, Santa Rosa, and Walton Counties in Florida; and Early and Seminole Counties in Georgia.

The interest rates are:

	Percent
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
For Economic Injury:	
BUSINESSES AND SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000

The number assigned to this disaster for physical damage is 306606. For economic injury the numbers are 976000 for Alabama, 976100 for Florida, and 976200 for Georgia.

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

Dated: March 13, 1998.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 98–7587 Filed 3–23–98; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Declaration of Disaster #3057: State of California (Amendment #3)

In accordance with a notice from the Federal Emergency Management Agency dated March 6, 1998, the above-numbered Declaration is hereby amended to include Kern, Riverside, San Bernardino, San Diego, and Tulare Counties in the State of California as a disaster area due to damages caused by severe winter storms and flooding beginning on February 2, 1998 and continuing.

In addition, applications for economic injury loans from small businesses located in the contiguous Counties of Imperial in California; Clark in Nevada, and LaPaz and Mohave in Arizona may

[7] 17 CFR 200.30–3(a)(12).