change by granting accelerated approval to Amendment No. 3, and solicits comments from interested persons on Amendment No. 3.

II. Description of the Proposal

Currently, Article IV, Section 2, of the Exchange's By-Laws provides that no application shall be made by the Exchange to the Commission for the extension of unlisted trading privileges with respect to any security unless the issuer of the security meets the requirements for listing on the Exchange that are set forth in Section 1.3 of Article IV. It further provides that in the event that an issuer whose security has been the subject of a grant of unlisted trading privileges to the Exchange ceases to meet the listing requirements of Section 1.3, the Exchange shall terminate such unlisted trading. An exception is provided that permits the Exchange to seek and continue unlisted trading privileges on any security for which the primary trading market is the New York Stock Exchange or the American Stock Exchange.

The proposed rule change, as amended by Amendment No. 3, would broaden the ability of the Exchange to extend unlisted trading privileges by revising Article IV, Section 2, simply to state: "Notwithstanding the requirements for listing set forth in Section 1.3 of this Article IV, the Exchange may seek and continue unlisted trading privileges on any security as to which unlisted trading privileges may be extended in accordance with Section 12(f) of the Act and the rules thereunder." ⁵

III. Discussion

After careful review, 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.⁶ In particular, the Commission believes that the proposed rule change, as amended, is consistent with section 6(b)(5) and section 12(f) of the Act ⁷ in that it

permits the Exchange to extend unlisted trading privileges to the extent permitted by section 12(f) and the rules thereunder.⁸

The Exchange has requested that the Commission grant accelerated approval to Amendment No. 3 to the proposed rule change. The Commission believes that Amendment No. 3 improves the text of the proposed rule change by revising it to mirror the terminology of the statute and to include a reference to the rules thereunder. Acceleration of the amendment will permit the Exhange to implement the proposed rule change without further delay. The Commission therefore finds good cause, consistent with Section 19(b)(2) of the Act,9 to approve Amendment No. 3 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 3, including whether the Amendment 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–CSE–2003–06 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-CSE-2003-06. 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

in general, to protect investors and the public interest, and not permit unfair discrimination among issuers. Section 12(f) sets forth the requirements in accordance with which a national securities exchange may extend unlisted trading privileges.

post all comments on the Commission's Internet Web site (http://www.sec.gov/ rules/sro.shtml). 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 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 NSX. 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-CSE-2003-06 and should be submitted on or before June 9, 2005.

V. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁰ that the remaining portion of the proposed rule change (SR–CSE–2003–06), as amended, be, and hereby is, approved, and that Amendment No. 3 to the proposed rule change be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 11

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5–2503 Filed 5–18–05; 8:45 am] BILLING CODE 8010–01–P

SMALL BUSINESS ADMINISTRATION

Public Federal Regulatory Enforcement Fairness Hearing; Region V Small Business Regulatory Fairness Board

The U.S. Small Business Administration, Region V Small Business Regulatory Fairness Board and the SBA Office of the National

⁵ The italicized text reflects Amendment No. 3 to the proposed rule change. The original proposal, as published in the Notice, used the phrase "as to which unlisted trading privileges have been granted pursuant to section 12(f) of the Act."

⁶ 15 U.S.C. 78f(b). 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).

⁷¹⁵ U.S.C. 78f(b)(5) and 15 U.S.C. 78l(f). Section 6(b)(5) requires that the rules of an exchange be designed, among other things, to facilitate transactions in securities, to prevent fraudulent and manipulative acts and practices, 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,

⁸In approving the proposed rule change, the Commission notes that, among other things, the extension of unlisted trading privileges is subject to Rule 12f–5, which prohibits a national securities exchange from extending unlisted trading privileges to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends unlisted trading privileges. 17 CFR 240.12f–5.

^{9 15} U.S.C. 78s(b)(2).

^{10 15} U.S.C. 78s(b)(2).

^{11 17} CFR 200.30-3(a)(12).

Ombudsman will hold a public hearing on Friday, June 3, 2005, at 8:30 a.m. The public hearing will be held at the Rock Valley College "Woodward Technology Center, 3301 North Mulford Road, Room 117, Rockford, IL 61114, phone (815) 921–2081, 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.

Anyone wishing to attend or to make a presentation must contact Gary Peele, in writing or by fax, in order to be put on the agenda. Gary Peele, Supervisory Marketing Specialist, SBA Illinois District Office, 500 West Madison Street, Chicago, IL 60661, phone (312) 353–7353, fax (202) 481–2031, e-mail: gary.peele@sba.gov.

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

Matthew K. Becker,

Committee Management Officer. [FR Doc. 05–9972 Filed 5–18–05; 8:45 am] BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

RIN: 3245-AF21

Small Business Innovation Research Program Policy Directive

AGENCY: U.S. Small Business Administration.

ACTION: Notice of proposed amendments to Policy Directive.

SUMMARY: This document proposes amendments to the Small Business Innovation Research (SBIR) Program Policy Directive. These proposed amendments reflect the requirements that the Executive Order, Encouraging Innovation in Manufacturing, imposes on the Small Business Administration (SBA) and the Federal agencies that participate in the SBIR program. This document also provides guidelines and directives to Federal agencies for the general conduct of the program as it relates to implementing the Executive Order

DATES: Public comments on the proposed amendments to the SBIR Policy Directive must be received on or before June 20, 2005.

ADDRESSES: You may submit comments, identified by RIN 3245–AF21, by any of the following methods. (1) The Federal eRulemaking portal:

www.regulations.gov; (2) e-mail at technology@sba.gov (include RIN in the subject line of the message); (3) mail, addressed to Edsel M. Brown, Jr., Assistant Administrator for Technology,

Office of Technology, Office of Policy, Planning, and Liaison; Office of Government Contracting and Business Development, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT:

Edsel M. Brown, Jr., Office of Technology, Office of Policy, Planning, and Liaison, Office of Government Contracting and Business Development, at (202) 205–6450 or at technology@sba.gov.

SUPPLEMENTARY INFORMATION: In 1982, Congress enacted the Small Business Innovation Development Act of 1982 (SBIDA), Public Law 97–219 (codified at 15 U.S.C. 638), which established the SBIR Program. The statutory purpose of the Small Business Innovation Research (SBIR) Program is to strengthen the role of innovative small business concerns (SBCs) in Federally-funded research and research and development (R/R&D).

The SBIR Program is a phased process, uniform throughout the Federal Government, of soliciting proposals and awarding funding agreements for R/R&D to meet stated agency needs or missions. To stimulate and foster scientific and technological innovation, including increasing commercialization of Federal R/R&D, the program must follow a uniform competitive process of three phases: Phase I, Phase II, and Phase III.

SBIDA requires the SBA to "issue Policy Directives for the general conduct of the SBIR programs within the Federal Government." 15 U.S.C. 638(j)(1). SBA proposes to amend the most recent SBIR Policy Directive which was published on September 24, 2002, at 67 FR 60072–60098.

On February 24, 2004, the President signed Executive Order 13329, "Encouraging Innovation in Manufacturing." The purpose of the Executive Order is to ensure that Federal Government agencies and departments properly and effectively assist the private sector in its manufacturing innovation efforts through the use of the SBIR and the Small Business Transfer Technology (STTR) Programs. Pursuant to the Executive Order, the SBA is required to:

(1) Establish, after consultation with the Director of the Office of Science and Technology Policy (OSTP), formats and schedules for submission of reports by the heads of departments and agencies; and (2) issue to departments and agencies guidelines and directives (in addition to the formats and schedules) as the SBA Administrator determines from time to time are necessary to implement the Executive Order, after such guidelines and directives are

submitted to the President, through the Director of OSTP, and are approved by the President.

In addition, the Executive Order requires the heads of the agencies and departments with one or more SBIR or STTR programs to perform the following: (1) To the extent permitted by law and in a manner consistent with the mission of that department or agency, give high priority within such programs to manufacturing-related research and development to advance innovation in manufacturing through small business; and (2) to submit reports annually to the Administrator of the SBA and the Director of the OSTP concerning the efforts of such departments or agencies in implementing the Executive Order. SBA proposes to amend the SBIR Policy Directive in order to fulfill its responsibilities under Executive Order 13329 and to provide the guidelines and requirements that the participating agencies and departments need to implement the provisions of the Executive Order as set forth above.

Section-by-Section Analysis

Section 2 of the SBIR Policy Directive contains a summary of the legislative provisions applicable to the SBIR Program. SBA is proposing to amend this section to include an overview of the requirements imposed by Executive Order 13329 and to amend the section heading to more accurately reflect the scope of the section.

Section 3 of the SBIR Policy Directive sets forth definitions pertinent to the SBIR program. SBA proposes to add a definition for "Manufacturing-related" research and development. The definition was initially developed by the OSTP, the National Institute of Standards and Technology, and the National Science Foundation and was reviewed by the National Science and Technology Council. The definition encompasses research and development that improves existing methods or processes, including machine technologies, systems technologies, and environmental or societal technologies. In addition, to facilitate the proper placement of this new definition, it will be necessary to redesignate several paragraphs in section 3.

Section 4 of the Policy Directive includes a description of the structure and purpose of Phases I, II, and III of the SBIR Program and the standards for evaluating grant proposals. In section 4(a)(2) of the Policy Directive, SBA is proposing to add that agencies may, to the extent permitted by law, give additional consideration to manufacturing-related proposals.