

waiver would be to prejudice a Federal Reserve participant's rights.

## II. Discussion

Section 17A(b)(3)(F)<sup>10</sup> of the Exchange Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible. For the reasons set forth below, the Commission believes that PTC's proposed rule change is consistent with this obligation under the Exchange Act.

PTC was established in 1989 as a depository for mortgage-backed securities, primarily those guaranteed by the Government National Mortgage Association ("GNMAs"), in order to immobilize these securities and to allow them to be settled by book-entry. However, GNMAs, unlike other mortgage-backed securities such as those guaranteed by the Federal National Mortgage Association ("FNMAs") and the Federal Home Loan Mortgage Association ("FHLMCs"), are issued in certificated form and therefore cannot be transferred over the Fedwire.

Currently, in order to use GNMAs as collateral for discount window advances from Federal Reserve Banks, PTC participants must physically remove the certificates from PTC and deposit them with the Federal Reserve Banks. The proposed rule change will enable Federal Reserve Banks to maintain accounts at PTC for the purpose of accepting from PTC participants securities pledged as collateral for discount window advances and as collateral to secure Treasury tax and loan accounts. This will allow PTC participants to utilize GNMAs as collateral without having to physically remove the certificates from PTC. As a result, the Commission believes the proposed rule change facilitates the safeguarding of securities in the custody or control of PTC by reducing the physical movement of GNMAs and the risk of loss associated with the physical movement of these securities. Furthermore, the Commission believes that the proposal is consistent with industry efforts to immobilize securities certificates and maximize efficiencies in securities processing.

As previously stated, the proposed rule change also provides that Federal Reserve participants will be exempt from some of the obligations applicable to participants and limited purpose participants. The Commission believes that the special provisions applicable to Federal Reserve participants are consistent with the restricted nature of

the Federal Reserve Banks' participation at PTC.

PTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because accelerated approval will permit PTC and the FRBNY to immediately commence the pilot program. Furthermore, the Commission has not received any comment letters and does not expect to receive any comment letters on the proposal. In addition, the staff of the Board of Governors of the Federal Reserve System ("Board of Governors") has concurred with the Commission's decision to grant accelerated approval.<sup>11</sup>

## III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and in particular Section 17A of the Exchange Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Exchange Act, that the proposed rule change (File No. SR-PTC-96-05) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-26781 Filed 10-17-96; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster Loan Area #2906]

#### Texas; Declaration of Disaster Loan Area

Tyler County and the contiguous counties of Angelina, Hardin, Jasper, and Polk in the State of Texas constitute a disaster area as a result of damages caused by flooding that occurred on September 26 and 27, 1996. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on December 9, 1996 and for economic injury until the close of business on July 9, 1997 at the address listed below: U.S. Small Business Administration, Disaster

<sup>11</sup> Telephone conversation between John Rudolph, Board of Governors, and Ari Burstein, Division of Market Regulation, Commission (October 3, 1996).

<sup>12</sup> 17 CFR 200.30-3(a)(12) (1996).

Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Fort Worth, Texas 76155, or other locally announced locations.

The interest rates are:

#### For physical damage:

Homeowners with credit available elsewhere—8.000%.  
Homeowners without credit available elsewhere—4.000%.  
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 290606. For economic injury the number is 922100.

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

Dated: October 9, 1996.

Ginger Lew,

Acting Administrator.

[FR Doc. 96-26765 Filed 10-17-96; 8:45 am]

BILLING CODE 8025-01-P

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Generalized System of Preferences (GSP); Initiation of a Review to Consider the Designation of Cambodia as a Beneficiary Developing Country Under the GSP; Solicitation of Public Comments relating to the Designation Criteria

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice and solicitation of public comment with respect to the eligibility of Cambodia for the GSP program.

**SUMMARY:** This notice announces the initiation of a review to consider the designation of Cambodia as a beneficiary developing country under the GSP program and solicits public comment relating to the designation criteria.

**FOR FURTHER INFORMATION CONTACT:** GSP Subcommittee, Office of the United States Trade Representative, 600 17th Street, NW., Room 518, Washington, DC 20506. The telephone number is (202) 395-6971.

**SUPPLEMENTARY INFORMATION:** The Trade Policy Staff Committee (TPSC) has initiated a review to determine if Cambodia meets the designation criteria of the GSP law and should be

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

designated as a beneficiary developing country for purposes of the GSP, which is provided for the Trade Act of 1974, as amended (19 U.S.C. 2461 *et. seq.*) (the Act). The designation criteria are listed in section 502 of the Act. Interested parties are invited to submit comments regarding the eligibility of Cambodia for designation as a GSP beneficiary. The designation criteria mandate determinations related to participation in commodity cartels, preferential treatment provided to other developed countries, expropriation without compensation, enforcement of arbitral awards, support of international terrorism, and protection of internationally recognized worker rights. Other practices taken into account relate to the extent of market access for goods and services, investment practices and protection of intellectual property rights.

Comments must be submitted in 15 copies, in English, to the Chairman of the GSP Subcommittee, Trade Policy Staff Committee, 600 17th Street, NW., Room 518, Washington, DC 20506. Comments must be received no later than 5 p.m. on Monday, November 18, 1996. Information and comments submitted regarding Cambodia will be subject to public inspection by appointment with the staff of the USTR Public Reading Room, except for information granted "business confidential" status pursuant to 15 CFR 2003.6. If the document contains business confidential information, 15 copies of a nonconfidential version of the submission along with 15 copies of the confidential version must be submitted. In addition, the submission should be clearly marked "confidential" at the top and bottom of each and every page of the document. The version which does not contain business confidential information (the public version) should also be clearly marked at the top and bottom of each and every page (either "public version" or "non-confidential").

Frederick L. Montgomery,  
Chairman, Trade Policy Staff Committee.  
[FR Doc. 96-26821 Filed 10-17-96; 8:45 am]  
BILLING CODE 3190-01-M

**ACTION:** Notice of initiation of investigation; request for written comments.

**SUMMARY:** The Acting United States Trade Representative (USTR) has initiated an investigation under section 302(b)(1) of the Trade Act of 1974, as amended (the Trade Act), with respect to certain acts, policies and practices of the Government of Brazil concerning the grant of tariff-reduction benefits contingent on satisfying certain export performance and domestic content requirements. The United States alleges that these acts, policies and practices are inconsistent with certain provisions of the General Agreement on Tariffs and Trade 1994 (GATT 1994), the Agreement on Trade-Related Investment Measures (TRIMS Agreement), and the Agreement on Subsidies and Countervailing Measures (SCM Agreement), each administered by the World Trade Organization (WTO). USTR invites written comments from the public on the matter being investigated.

**DATES:** This investigation was initiated on October 11, 1996. Written comments from the public are due on or before noon on Thursday, November 14, 1996.

**ADDRESSES:** Office of the United States Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Karen Chopra, Deputy Assistant U.S. Trade Representative for the Western Hemisphere, (202) 395-5190, or Amelia Porges, Senior Counsel for Dispute Settlement, (202) 395-7305.

**SUPPLEMENTARY INFORMATION:** Section 302(b)(1) of the Trade Act (19 U.S.C. 2412(b)(1)), authorizes the USTR to initiate an investigation under chapter I of Title III of the Trade Act (commonly referred to as "section 301") with respect any matter in order to determine whether the matter is actionable under section 301. Matters actionable under section 301 include, *inter alia*, the denial of rights of the United States under a trade agreement, or acts, policies, and practices of a foreign country that violate or are inconsistent with the provisions of, or otherwise deny benefits to the United States under, any trade agreement.

#### Investigation and Consultations

On October 11, 1996, having consulted with the appropriate private sector advisory committees, the USTR determined that an investigation should be initiated to determine whether certain acts, policies and practices of Brazil concerning trade and investment in the auto sector are actionable under section

301(a). Brazil has adopted since December 1995 a series of decrees that provide that manufacturers of automobiles may get reductions in duties on inputs and assembled vehicles if they maintain a specified level of local content, and export an offsetting amount of finished vehicles and parts and maintain specified ratios of imported to domestic capital goods and of imported to domestic inputs. Brazil also provides more favorable treatment to automobiles and auto parts from Argentina.

The USTR believes that these acts, policies and practices of Brazil are inconsistent with certain aspects of the GATT 1994, the TRIMS Agreement, and the SCM Agreement. In particular, the program appears to be inconsistent with the most-favored-nation treatment and national treatment provisions found in Articles I and III of the GATT 1994; the prohibition in Article 2 of the TRIMS Agreement on investment measures that are inconsistent with the national treatment and quantitative restriction provisions in the GATT 1994, and the prohibition on certain subsidies in Articles 3 and 28.2 of the SCM Agreement.

In August 1996 the USTR invoked WTO dispute procedures and held consultations with Brazil regarding its auto regime. As a result of these consultations, Brazil has agreed to enter into intensive talks with the United States. The goal of these talks is the removal of the discriminatory impact of the Brazilian practices on U.S. exports. Pending the outcome of these talks the USTR has decided pursuant to section 303(b)(1)(A) of the Trade Act to delay for up to 90 days requesting the consultations required under section 303(a) of the Trade Act for the purpose of ensuring an adequate basis for such consultations. Pursuant to section 303(b)(1)(B) of the Trade Act the time limitations for making the determinations required by section 304 of the Trade Act will be extended for the period of the delay.

#### Public Comment: Requirements for Submissions

Interested persons are invited to submit written comments concerning the acts, policies and practices of Brazil which are the subject of this investigation, the amount of burden or restriction on U.S. commerce caused by these acts, policies and practices, and the determinations required under section 304 of the Trade Act. Comments must be filed in accordance with the requirements set forth in 15 CFR 2006.8(b) (55 FR 20593) and must be filed on or before noon on Thursday,

[Docket No. 301-110]

#### Initiation of Section 302 Investigation and Request for Public Comment; Practices of the Government of Brazil Regarding Trade and Investment in the Auto Sector

**AGENCY:** Office of the United States Trade Representative.