

this filing. The proposed rule change was originally submitted to the Commission on November 11, 1997. However, the submission of substantive Amendments No. 1 and No. 2 on November 21, and December 17, 1997, respectively, delay the statutorily required implementation date to January 16, 1998.<sup>6</sup> For the foregoing reasons the rule filing will become operative as a "non-controversial" rule change pursuant to Rule 19b-4(e)(6) under the Act.<sup>7</sup>

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.

#### 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 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-97-45 and should be submitted by January 20, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

<sup>6</sup> The Commission notes that any substantive amendment to a proposed rule change filed under Section (e)(6) of Rule 19b-4 causes the 30 day delayed implementation period to be restarted from the date of the filing of the amendment. In addition, the Commission has waived the requirement that the Exchange notify the Commission of its intent to file this proposed rule change five business days prior to the filing. See Securities Exchange Act Release No. 35123 (December 20, 1994), 59 FR 66692 (December 28, 1994).

<sup>7</sup> 17 CFR 240.19b-4(e)(6).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-33714 Filed 12-24-97; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39466; File No. SR-PHLX 97-49]

#### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc., Relating to Exchange Approval of Member Advertising

December 18, 1997.

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 November 13, 1997, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization ("SRO"). On December 15, 1997, the Exchange filed Amendment No. 1 to the rule proposal. 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

Pursuant to Rule 19b-4 of the Act, the PHLX proposes to amend Phlx Rule 605 to require member or foreign currency option participant organizations for which the Phlx is the designated examining authority ("DEA"): (1) To receive Exchange consent prior to using the Internet to provide market quotations or to advertise to the general public; (2) to receive prior Exchange consent before making use of radio or television broadcasts for any business purpose or broadcasting Exchange quotations on radio or television programs or via public telephone reports; and (3) to submit the text of all commercials or program materials about securities or investing sponsored by the firm on radio, television, public telephone or on the Internet, promptly following the program in which it was used. Further, the commentary to the rule which states that the provisions of the rule do not apply to advertisements, market letters and sales literature relating to options as defined in Rule 1049 would be deleted so that the rule would apply to all products traded on the Exchange, including options. The

Exchange filed Amendment No. 1 to make clear that print advertisements are also subject to prior Exchange review and approval under the new proposed language of PHLX Rule 605. The Amendment changed the proposed new language of the rule to reflect this change. The text of the proposed rule change, as amended, is below. Brackets represent deletions; italics represent additions.

#### Rule 605

#### Advertisements, Market Letters, Research Reports and Sales Literature

(a) No member, foreign currency option participant, member organization or foreign currency option participant organization shall issue any advertisement, market letter, research report, telemarketing script or sales literature unless such member, foreign currency option participant or a general partner or holder of voting stock in such organization shall have endorsed his approval prior to publication or distribution thereof on an exact copy thereof bearing the name of the person who wrote such material. Such copy so endorsed shall be made part of the permanent records of such member or foreign currency option participant organization and shall be retained for three years, two years in an easily accessible location.

(b) *Member or foreign currency option participant organizations for which the Exchange is the designated examining authority ("DEA") desiring to broadcast Exchange quotations on radio or television programs, or in public telephone market reports, or make use of radio or television broadcast or print advertising for any business purpose, or to make use of the Internet for the purpose of providing market quotations or advertising to the general public must first obtain the consent of the Exchange by submitting an outline of the program material to the Exchange.*

(c) *The text of all commercials, advertisements and program material (except lists of market quotations) about securities or investing sponsored by Exchange designated member or foreign currency option participant organizations on radio, television, or public telephone reports, or on the Internet, or program material supplied to these media must be sent to the Exchange promptly following the program in which it is used.*

[Commentary: The provisions of this rule do not apply to advertisements, market letters and sales literature relating to options as defined in Rule 1049.]

Supplementary Material: No change.

## 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 SRO 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 SRO 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 Exchange proposes to amend PHLX Rule 605, Advertisements, Market Letters, Research Reports and Sales Literature, in order to assure that the Exchange has the opportunity to review and approve advertisements, including market quotation reports, which are disseminated over the Internet, radio, television and via public telephone prior to their dissemination. Exchange Rule 605 currently requires prior approval only by the member/participant or its general partner or voting stock holder. The Exchange has recently become aware of certain Internet advertisements by at least one of its members which it believes may not comply with the communication guidelines contained in the Supplementary Material to PHLX Rule 605. The Exchange therefore, believes that prior Exchange approval is warranted. The rule will be amended to apply to members and foreign currency options participants for which the Exchange is the DEA so that firms for which another SRO is the DEA will not have to be burdened by duplication of approvals.

The revised language will apply to advertisements, broadcasts of Exchange market quotations or broadcasts for any other business purpose, which could even include advertisements for brokers or traders. It will also specify that it applies to advertisements and broadcasts that are disseminated over radio, television, public telephone and the Internet.

Another new requirement under the proposed rule will be that these firms must also supply to the Exchange the text of all commercials and program material (except lists of market quotations) about securities or investing promptly following the program in which it is used. This will assure that

the approved text is actually the one that was publicly disseminated. Finally, the Commentary to Rule 605 which made the rule specifically not applicable to options will be deleted. The Exchange believes that the requirements imposed under this rule are equally important for option advertising as for advertising of any other type of securities.

#### 2. Basis

The proposed rule change is consistent with Section 6 of the Act in general, and in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices and to protect investors and the public interest by assuring that the Exchange reviews its designated firms' advertisements

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

The PHLX does not believe that the proposed rule change will impose any inappropriate burden on competition.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were either solicited or received.

## 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 PHLX 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.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commissions, 450 Fifth Street, NW, Washington, DC 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. Copies of the filing will also be available for inspection and copying at the principal office of the PHLX. All submissions should refer to File No. SR-PHLX-97-49 and should be submitted by January 20, 1998.

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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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Technical Corrections to the Harmonized Tariff Schedule of the United States

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

**ACTION:** Technical corrections to the Harmonized Tariff Schedule of the United States.

**SUMMARY:** The United States Trade Representative (USTR) is making technical corrections to the Harmonized Tariff Schedule of the United States (HTS) as set forth in the annex to this notice, pursuant to authority granted by Congress to the President in section 604 of the Trade Act of 1974 and delegated by the President to the USTR in Presidential Proclamation No. 6969 of January 27, 1997 (62 FR 4415). These modifications will correct errors in prior proclamations, so that the intended tariff treatment is accorded.

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

**FOR FURTHER INFORMATION CONTACT:** Barbara Chattin, Director for Tariff Affairs (202) 395-5097, or Catherine Field, Senior Counsel for Multilateral Affairs, (202) 395-3432.

### Explanation of Proposed Changes

This notice makes several technical corrections to the Harmonized Tariff Schedule of the United States (HTS) to remedy omissions, misspellings, or other problems included in previously issued proclamations, or to make conforming changes in HTS provisions previously proclaimed to reflect previous modifications to the HTS. The