

owned by its members who utilize its services, and its Board of Directors is comprised of its members. DTC must assure a fair representation of its member in the selection of its directors and administrators. DTC's service fees are reviewed by its board and subject to public notice and comment.

After the consummation of the proposed arrangements, securities industry members will continue to have access to high quality, low cost depository and clearing services provided under the mandate of the Act. The overall cost to the industry of having such services available will be reduced and thereby should permit a more efficient and productive allocation of industry resources. Accordingly, DTC and PTC believe that the proposed transaction advances the objectives of the national clearance and settlement system without an inappropriate or unnecessary burden upon competition.

(C) Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received from Members, Participation or Others

Written comments on the proposal from DTC participants, PTC participants, or others have not been solicited or received. However, the proposed arrangements have been reviewed and approved by PTC's Board of Directors, which is comprised of representatives of the banks and broker-dealers that are PTC's stockholders and participants. In addition, DTC believes that the proposed arrangements are consistent with recommendations made by the Vision 2000 Committee ("Committee"), a committee of industry representatives of the Boards of DTC and the National Securities Clearing Corporation. The Committee's report dated September 1994 states that:

The industry currently owns a number of utilities that provide services related to the comparison, clearing, settlement and safekeeping of U.S. (and to a lesser degree, international) securities. These utilities overlap in two ways. * * * We believe that the industry's and, as important, the investors', overall costs can be reduced and safety and soundness can be enhanced by eliminating these overlaps where there is no clear advantage to having specialization or competing development.⁷

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

Within thirty-five 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 ninety 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 DTC or PTC consents, the Commission will:

(A) By order approve such proposed rule changes or

(B) Institute proceedings to determine whether the proposed rules changes should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule changes are 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 changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal offices of DTC and PTC. All submissions should refer to File Nos. SR-DTC-98-12 and SR-PTC-98-02 and should be submitted by July 21, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-17384 Filed 6-29-98; 8:45 am]

BILLING CODE 8010-01-M

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

**Restoration of Preferential Tariff
Treatment Under the Generalized
System of Preferences for Certain
Articles From Thailand**

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: Preferential tariff treatment under the generalized System of Preferences (GSP) is restored to four articles from Thailand, effective with respect to articles entered, or withdrawn from warehouse, on or after the 15th day after the date of publication of this notice.

FOR FURTHER INFORMATION CONTACT:

Sean Murphy, Director for ASEAN Affairs, Office of the U.S. Trade Representative, (202) 395-6813.

SUPPLEMENTARY INFORMATION: Pursuant to section 503(c)(2) of the Trade Act of 1974, as amended, 19 U.S.C. 2463(c)(2)), beneficiary developing countries are subject to competitive need limitations on the preferential tariff treatment afforded under the GSP. Proclamation 6813 of July 28, 1995 (60 FR 39095), in relevant part, proclaimed the waiver of competitive need limitations and the restoration of GSP preferential tariff treatment with respect to four articles from Thailand, with an effective date to be announced by the United States Trade Representative by publication of a notice in the **Federal Register**. These four articles are in Harmonized Tariff Schedule of the United States ("HTS") subheadings 6702.90.65 (certain artificial flowers, foliage, fruit and parts thereof); 7113.11.20 (certain articles of silver jewelry and parts thereof, valued at not over \$18 per dozen); 7113.19.50 (certain other articles of jewelry and parts thereof); and 9403.60.80 (certain wooden furniture).

Pursuant to authority vested in the United States Trade Representative by the laws of the United States, including but not limited to sections 503 and 604 of the Trade Act and Proclamation 6813 of July 28, 1995, and in order to restore GSP preferential tariff treatment to articles from Thailand in HTS subheadings 6702.90.65, 7113.11.20, 7113.19.50, and 9403.60.80, the HTS is modified as specified in the Annex to this notice, effective with respect to articles entered, or withdrawn from warehouse, on or after the 15th day after publication of this notice.

Susan Esserman,

Acting United States Trade Representative.

Annex

Section A. General note 4(d) to the Harmonized Tariff Schedule of the United States ("HTS") is modified by:

(1) Deleting "6702.90.65 Thailand" and "7113.11.20 Thailand"; and

(2) Deleting "Thailand" set out opposite subheading 7113.19.50 and opposite subheading 9403.60.80.

Section B. For HTS subheadings 6702.90.65 and 7113.11.20, the Rates of Duty 1-Special subcolumn is modified by deleting

⁷ The Committee's report is attached as Exhibit 2 to DTC's filing, which is available for review and inspection in the Commission's public reference room and through DTC.

⁸ 17 CFR 200.30-3(a)(12).

the symbol "A*" and inserting an "A" in lieu thereof.

[FR Doc. 98-17388 Filed 6-25-98; 3:23 pm]

BILLING CODE 3190-01-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. 301-116]

Termination of Action: Protection of Intellectual Property Rights by the Government of Honduras

AGENCY: Office of the United States
Trade Representative.

ACTION: Notice of termination of action
and monitoring and request for public
comments.

SUMMARY: On March 16, 1998, the USTR determined that the failure by the Government of Honduras to provide adequate and effective protection of intellectual property rights was unreasonable and burdened or restricted United States commerce and that the appropriate action was to suspend preferential treatment accorded under the Generalized System of Preferences (GSP) and Caribbean Basin Initiative (CBI) programs to certain products of Honduras, including certain cucumbers, watermelons, and cigars. In view of the Government of Honduras' measures to combat piracy and to protect intellectual property rights of the United States, the USTR has terminated that action taken under Section 301(b) of the Trade Act of 1974 ("Trade Act"). USTR will monitor Honduras' compliance in protecting the intellectual property rights of the United States pursuant to Section 306 of the Trade Act.

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

FOR FURTHER INFORMATION CONTACT:
Mary Barnicle, Office of the Western
Hemisphere, (202) 396-5190 or William
Busis, Office of the General Counsel,
(202) 395-3150, Office of the United
States Trade Representatives.

SUPPLEMENTARY INFORMATION: In 1992, the Motion Picture Association filed a petition under the Generalized System of Preferences program asking that tariff preference benefits to Honduras under the GSP and CBI programs be withdrawn due to widespread, blatant copyright piracy. In May 1997, the Trade Policy Staff Committee (TPSC) recommended that GSP and CBI benefits be suspended unless the Government of Honduras improved its intellectual property rights enforcement within four months. On October 31, 1997, in order to implement the TPSC

recommendation, the USTR initiated an investigation under Section 302(b) of the Trade Act (19 U.S.C. 2412(b)) with respect to certain acts and policies of the Government of Honduras concerning its protection of intellectual property rights, including the failure to provide adequate and effective copyright protection and enforcement of rights of copyright owners, resulting in, for example, the wise-spread unauthorized broadcasting in Honduras of pirated videos and the rebroadcasting of U.S. satellite-carried television programming. See 62 FR 60299 of November 7, 1997. The USTR proposed to determine that the practices under investigation were actionable under Section 301 of the Trade Act and that the appropriate response would be a partial suspension of tariff preferences for certain Honduran imports.

After the initiation of the investigation, the United States consulted repeatedly with the Government of Honduras regarding the matters under investigation. However, while the Honduran government established a television regulatory authority and initiated criminal actions against two stations engaged in broadcast piracy, blatant broadcast piracy continued and U.S. copyright-based industries continued to suffer harm. On March 16, 1998, the USTR determined pursuant to sections 301(b)(1) and 304(a)(1)(A)(ii) of the Trade Act that the Government of Honduras failed to provide adequate and effective protection of intellectual property rights and the acts, policies or practices of Honduras under investigation were unreasonable and burdened or restricted U.S. commerce. The USTR further determined pursuant to sections 304(a)(1)(B), 301(b)(2), and 301(c)(1)(C) of the Trade Act that the appropriate and feasible action was to suspend the duty-free GSP and CBI treatment accorded to certain products of Honduras, including certain cucumbers, watermelons, and cigars. See 63 FR 16608 of April 3, 1998.

Following the USTR determinations as to the actionability and specific action to be taken, the Government of Honduras has taken a number of steps to stop broadcast piracy. It temporarily shut down two television stations and imposed and collected fines from the stations in an effort to provide adequate copyright protection. The Government of Honduras has also made a written promise to impose higher fines and to temporarily shut down the television stations again for a longer period if piracy resumes. Section 307(a)(1)(C) of the Trade Act authorizes the USTR to terminate any action, subject to the

specific direction, if any, of the President, if such action is being taken under Section 301(b) and is no longer appropriate. In light of the foregoing, the USTR has determined that the existing Section 301(b) action should be terminated and, as specified in the annex to this notice, the suspended GSP and CBI benefits should be restored. Restoration of benefits will be effective with regard to articles entered, or withdrawn from warehouse for consumption, on or after the date of publication of this notice. The USTR has also decided to terminate the GSP review initiated in 1993.

Section 604 of the Trade Act, as amended (19 U.S.C. 2463), authorizes the President to modify the Harmonized Tariff Schedule of the United States (HTS) to reflect laws, and actions thereunder, affecting the treatment of imports. In Proclamation 6969 of Jan. 27, 1997 (62 FR 4415 of Jan. 29, 1997), the President delegated to USTR the authority under Section 604 to embody rectifications, technical or conforming changes, or similar modifications in the HTS.

The notice that suspended GSP and CBI benefits for certain imports from Honduras renumbered HTS general note 7(d)(iv)—which embodied in the HTS Section 213(d) of the CBERA, as amended (19 U.S.C. 2703(d))—as HTS general note 7(g). See 63 FR 16608 of April 3, 1998. Pursuant to the authority delegated by the President to USTR in Proclamation 6969, the annex to this notice makes a technical correction to HTS general note 7(g) in order to make the provision a complete sentence.

Prior to terminating this 301 action, the USTR consulted with the domestic industry concerned regarding the modification and termination of the existing action. An opportunity for public comment prior to this action was not possible in view of the need for expeditious action. Immediate termination of the Section 301 action was required to ensure full and prompt implementation of measures taken by the Government of Honduras to prevent resumption of piracy.

Interested members of the public are now invited to submit comments to USTR regarding this action. USTR will review these comments upon receipt.

Public Comments

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 July 31, 1998. Comments must be in English and provided in twenty copies to: Sybia Harrison, Staff Assistant to the Section 301 Committee, Room 223,