

provisions of Section 15A(b)(6)⁸ of the Act in that the proposal is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a national market system and, in general, to protect investors and the public interest. Nasdaq believes its pilot is also consistent with Section 15A(b)(5)⁹ of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

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

Nasdaq does not believe that the proposed rule change will result in 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 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 immediately pursuant to Section 19(b)(3)(A)(ii)¹⁰ of the Act and subparagraph (f) of Rule 19b-4 thereunder¹¹ in that it establishes or changes a due, fee or other charge.

At any time within 60 days of the filing of such proposed rule change pursuant to Section 19(b)(3)(A) of the Act, 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, 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. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by April 13, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-6970 Filed 3-22-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41173; File No. SR-Phlx-98-24]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Amend Floor Procedure Advice A-1 (Responsibility of Displaying Best Bid and Offer Prices Established on the Equity Floor)

March 15, 1999.

I. Introduction

On July 13, 1998, the Philadelphia Stock Exchange, Inc. ("Phlx" or the "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change that would update and amend its Equity Floor Procedure Advice A-1 to more closely track the SEC's customer limit order display rule.

On October 22, 1998, the proposed rule change was published for comment in the **Federal Register**.³ The Commission received no comment letters on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The Exchange proposes to update and amend its Equity Floor Procedure Advice A-1 to more closely track the SEC's customer limit order display rules. Currently, Advice A-1 ("Responsibility Best Bid and Offer Prices Established on the Equity Floor") requires specialist to use due diligence to ensure proper and timely display of bids and offers respecting primary issues. For secondary issues, this requirement applies where the bid or offer is equal to or better than the national best bid or offer ("NBBO"). Advice A-1 pre-dates Exchange Act Rule 11Ac1-4,⁴ which imposed new display requirements for "reported securities" and any other security for which a transaction report, last sale data or quotation information is disseminated through an automated quotation system as described in Section 3(a)(51)(A)(ii) of the Act. Since primary stock issues assigned to specialists on regional exchanges are not subject to this requirement, the proposed rule change amends Advice A-1 only with respect to secondary issues that are traded pursuant to unlisted trading privileges ("UTP"). The proposed change amends Advice A-1 to provide that the display requirement for secondary issues is the Commission's display rule, which requires specialists, subject to certain exceptions, to display not only those orders that are at or better than the NBBO, but also those that improve the specialist's quote or add 10% or more to the specialist's quote when the quote is the NBBO.⁵

Currently, Advice A-1 contains a fine schedule, which is administered pursuant to the Exchange's minor rule violation enforcement and reporting plan.⁶ Under the proposed amendment,

⁴ The limit order display rule was adopted by the Commission as part of its Order Handling Rules. See Securities Exchange Act Release No. 37619A (September 6, 1996), 61 FR 48290 (September 12, 1996) ("Order Handling Rules Adopting Release"); amended in Securities Exchange Act Release No. 38139 (January 8, 1997), 62 FR 1385 (January 10, 1997).

⁵ In the Order Handling Rules Adopting Release, the Commission stated that a customer limit order should be considered *de minimis* if it less than or equal to 10% of the displayed size associated with a specialist's bid or offer. If a customer limit order is *de minimis*, the specialist does not need to add that order to his quote. See Order Handling Rules Adopting Release, *supra* note 4, at note 177 and accompanying text. For this reason, the Exchange is requiring a specialist to display only those customer orders that add 10% or more to the size of the specialist's quote.

⁶ The Phlx's minor rule violation enforcement and reporting plan ("minor rule plan"), codified in Phlx Rule 970, contains floor procedure advices with accompanying file schedules. Exchange Act Rule 19d-1(c)(2) authorizes national securities exchanges to adopt minor rule violation plans for

⁸ 15 U.S.C. 78o-3(b)(6).

⁹ 15 U.S.C. 78o-3(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f).

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 40554 (October 14, 1998), 63 FR 56685.

a first violation will be subject to a written warning. Subsequent violations will be referred to the Business Conduct Committee.

III. Discussion

After careful review, the Commission believes that the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission believes that the proposed rule change is consistent with Sections 6(b)(5) and 11A(a)(1)(C)(iii) and (iv) of the Act. Section 6(b)(5) requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices and to remove impediments to and perfect the mechanism of a free and open market and a national market system. With respect to Section 11A, Congress found that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities, and to assure the practicability of brokers executing investors' orders in the best market.⁷ The proposed rule change will assure the availability of information with respect to quotations because it requires specialists to provide enhanced information regarding orders to the market by revising Advice A-1 to correspond to Exchange Act Rule 11Ac1-4.

In addition, the Commission believes the proposal is consistent with Section 6(b)(5)⁸ because the incorporation of the limit order display rule into the Exchange's own rules should enhance compliance with the rule, thereby improving member handling of customer limit orders.⁹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (Phlx-98-24) is approved.

summary discipline and abbreviated reporting; Rule 19d-1(c)(1) requires prompt filing with the Commission of any final disciplinary action. However, minor rule violations not exceeding \$2,500 are deemed not final, thereby permitting periodic, as opposed to immediate, reporting.

⁷ 15 U.S.C. 78k-1(a)(1)(C)(iii) and (iv).

⁸ 15 U.S.C. 78f(b)(5).

⁹ In approving these rules, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78s(b)(2).

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

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF STATE

[Public Notice #2999]

Overseas Presence Advisory Panel (OPAP) Meeting Notice; Closed Meeting

The Department of State announces a meeting of the Overseas Presence Advisory Panel on Thursday, April 29, 1999 at 9:00 a.m. at the U.S. Department of State. The panel is charged with advising the Secretary of State with respect to the level and type of representation required overseas in the face of new foreign policy priorities, a heightened security situation and extremely limited resources. Pursuant to Section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 522b[c][1], it has been determined that the meeting will be closed to the public. The agenda calls for discussion of classified and sensitive information relative to findings derived from travel to overseas Embassies and Consulates; this would include intelligence and operational policies, and security aspects of all the U.S. Government agencies the Department of State supports abroad.

For more information contact Peter Petrihos, Overseas Presence Advisory Panel, Department of State, Washington, DC 20520; phone: 202-647-6477.

Dated: March 15, 1999

Ambassador William H. Itoh,

Executive Secretary, Overseas Presence Advisory Panel.

[FR Doc. 99-7110 Filed 3-22-99; 8:45 am]

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. WTO/D-152]

WTO Dispute Settlement Proceeding Regarding Sections 301-310 of the Trade Act of 1974, as Amended

AGENCY: Office of the United States Trade Representative.

ACTION: Notice; request for comments.

SUMMARY: The Office of the United States Trade Representative ("USTR") is providing notice of the request for the

establishment of a dispute settlement panel under the Marrakesh Agreement Establishing the World Trade Organization ("WTO"), by the European Communities ("EC"), to examine Title III, chapter 1 (sections 301-310) of the United States Trade Act of 1974, as amended ("Trade Act") (19 U.S.C. 2411-2420). In this dispute, the EC alleges that sections 301-310 of the Trade Act are inconsistent with obligations of the United States under the Dispute Settlement Understanding ("DSU"), the Marrakesh Agreement establishing the WTO, and the General Agreement on Tariffs and Trade ("GATT 1994"). The USTR invites written comments from the public concerning the issues raised in this dispute.

DATES: Although the USTR will accept any comments received during the course of the dispute settlement proceedings, comments should be submitted by April 10, 1999, to be assured of timely consideration by the USTR in preparing its first written submission to the panel.

ADDRESSES: Comments may be submitted to Sandy McKinzy, Litigation Assistant, Office of Monitoring and Enforcement, Room 122, Attn: Section 301-310 Dispute, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Joanna McIntosh, Associate General Counsel, (202) 395-7203.

SUPPLEMENTARY INFORMATION: Pursuant to section 127(b) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3537(b)(1)), the USTR is providing notice that on February 2, 1999, the EC submitted a request for the establishment of a WTO dispute settlement panel to examine whether sections 301-310 of the Trade Act are inconsistent with the WTO obligations of the United States. The WTO Dispute Settlement Body ("DSB") considered the EC's first request for the establishment of a panel on February 17, 1999, and its second request on March 2, 1999; a panel was established at this meeting.

Major Issues Raised by the EC and Legal Basis of the Complaint

The EC claims that sections 301-310 of the Trade Act impose "specific, strict time limits" that require the United States to make "unilateral determinations" regarding WTO violations by other WTO members, as well as trade sanctions that are prescribed as a result of such violations. By making these determinations, the EC contends that the United States is acting inconsistently with the DSU and the

¹¹ 17 CFR 200.30-3(a)(12).