

USTR currently seeks nominations related to the list of non-governmental individuals. The existing roster of non-governmental individuals needs to be expanded to encompass new subject areas covered by the WTO, such as intellectual property and services, and to prepare for a potential increase in the number of dispute settlement panels established under the DSU. Members of the WTO may periodically nominate persons to be included on the roster, subject to DSB approval. Inclusion of a name on the roster, however, does not necessarily mean that the individual will be selected for service on a panel. U.S. citizens, for example, are not permitted to serve on panels in which the United States is a party unless the other party to the dispute agrees.

The Decision on Certain Dispute Settlement Procedures for the GATS requires that panels for GATS disputes include specific expertise on individual sectors. GATS disputes could involve the following eleven sectors: (1) Professional and related technical services, including, for example, legal, accounting, auditing and bookkeeping, taxation, medical, dental and veterinary services, engineering, architectural, urban planning services, computer and related services, research and development services, real estate services, rental and leasing services, advertising and management services; (2) communication services; (3) construction and related engineering services; (4) distribution services; (5) educational services; (6) environmental services; (7) financial services, including insurance and insurance-related services, banking and securities services; (8) health-related and social services; (9) tourism and travel-related services; (10) recreational, cultural and sporting services (other than audiovisual services); and (11) transport services.

Panels for GATS disputes are to be composed of well-qualified governmental and non-governmental individuals who have experience in issues related to GATS and/or trade in services, including associated regulatory matters. Dispute settlement panels concerning sectoral matters under the GATS must have expertise relevant to the specific service sector to which the dispute relates.

WTO dispute settlement panels consist of three persons, unless the parties agree to have five panelists, whose function is to make an objective assessment of the matter under dispute, including an objective assessment of the facts of the case, the applicability of the relevant WTO agreements and the conformity of the measure under

consideration with the obligations of those agreements. In addition, panels are to make such other findings as will assist the DSB in making the recommendations provided for in the WTO agreements.

Panelists must act in strict conformity with the provisions of the WTO agreements, including application of the appropriate standard of review. Panels are responsible for providing a report to the DSB, including recommendations if necessary, on the conformity of the matter under dispute with WTO obligations. Panelists must also comply with rules relating to conflicts of interest and conduct as a panelist.

Procedures for Application

Non-governmental U.S. citizens (i.e., individuals not currently employed full-time by the U.S. Federal government or a state or local government) possessing expertise in international trade, services, intellectual property rights or other matters covered by the WTO agreements are invited to file an application for nomination to the roster.

Applications must be typewritten and submitted along with five copies to Sybia Harrison, Room 223, Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, DC 20506. Applicants are to provide the following information to the extent applicable:

1. Name of the applicant
2. Business address, telephone number and, if available, fax number
3. Citizenship(s)
4. Current employment, including title, description of responsibilities, and name and address of employer
5. Relevant education and professional training, including particular service-sector expertise, if any
6. Post-education employment history, including the dates and address of each prior position and a summary of responsibilities
7. Relevant professional affiliations and certifications
8. List of publications and speeches, including a copy of speeches and publications relevant to the subject matter of the WTO agreements or service sector
9. List of international trade proceedings or domestic proceedings relating to international trade (WTO) matters in which the person has provided advice or otherwise participated, including judicial or administrative proceedings over which that person has presided
10. A short statement of qualifications, including information relevant to the applicant's familiarity with international trade, services or

other issues covered by the WTO agreements, and availability for service

11. Names, addresses, telephone and, if available, fax numbers of three individuals authorized to provide information to USTR concerning the applicant's qualifications for service, including the applicant's familiarity with international trade laws and other areas of expertise, character, reliability and judgment.

Information provided by applicants will be used by USTR for the purpose of selecting candidates for nomination to the WTO roster. Further information concerning potential conflicts may be requested from individuals and the possibility of significant conflicts will be taken into consideration in evaluating applicants.

USTR will contact applicants that qualify for further consideration as nominees regarding any additional information that may be required.

Frederick L. Montgomery,

Chairman, Trade Policy Staff Committee.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35404; File No. SR-BSE-95-02]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by Boston Stock Exchange, Inc. Requesting Permanent Approval of Its Competing Specialist Initiative

February 22, 1995.

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 February 6, 1995, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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

The BSE seeks permanent approval of its Competing Specialist Initiative. Specifically, the rules proposed for adoption are: Additions are *italicized* and deletions are [bracketed].

Chapter XV—Specialists

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Sec. 17.

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Procedures for Competing Specialists

Sec. 18. Any specialist can apply to the Exchange to function as a competing specialist pursuant to these procedures:

1. Applications to compete must be directed to the Market Performance Committee in writing and must list in order of preference the stock(s) in which the applicant intends to compete. The Market Performance Committee will use the following guidelines in reviewing an application:

- overall performance evaluation results of the applicant
- financial capability
- adequacy of manpower on the floor
- objection by the regular specialist in a stock, with or without cause

2. Any objection¹ by the regular specialist to permit competition in one or more of such specialist's stocks must be in writing and filed with the Exchange within 48 hours² of notice³ of the competing specialist's application. The objection will be considered by the Market Performance Committee in reviewing the application, and its decision may be appealed to the Executive Committee.

3. All applicants must be registered with the Exchange as specialists and must meet the current minimum requirements for specialists set forth in Chapter XV, the minimum capital and equity requirements as set forth in Chapters VIII and XXII of the Rules of the Exchange, and conform to all other performance requirements and standards set forth in the Rules of the Exchange. A competing specialist will be subject to all of the rules and policies applicable to a regular specialist.

4. All applicant organizations, existing or newly created, must satisfy the Market Performance Committee that they have sufficient manpower to fulfill the functions of a specialist as set forth in Chapter XV in all of the stocks in which the applicant will be registered either as a regular or a competing specialist.

5. The regular specialist will receive all orderflow not specifically directed to a competitor.

6. The receiving specialist is responsible for all orders directed to him/her.

7. In any competitive situation, if either the regular specialist to whom a

stock was originally assigned or the specialist organization which subsequently received approval to compete with the regular specialist desires to terminate the competition by requesting that it be relieved of the stock that is the subject of competition, it should so notify the Market Performance Committee at least 3 business days prior to the desired effective date of such withdrawal. When the regular specialist requests to be relieved of a stock, the stock shall be posted for reallocation by the Stock Allocation Committee. In the interim, if the Market Performance Committee is satisfied that the competing specialist can continue to maintain a fair and orderly market in such stock, the competing specialist shall serve as the regular specialist until the stock has been reallocated.⁴ Where there is more than one competing specialist in the stock, Exchange staff shall place the stock with a caretaker until reallocation.

8. Any competing specialist who withdraws his/her registration in a stock will be barred from applying to compete in that same stock for a period of ninety (90) days following the effective date of withdrawal.

9. Notwithstanding the existence of competing specialist situations, there is only one Exchange market in a security subject to competition. Due to the ease of communications on the Floor via the Stentofon System, it will not be necessary to locate competing specialists adjacent to each other. However, the regular specialist will be responsible for updating quotations; thus all competitors must communicate their markets to the regular specialist and be responsible for their portion of the published bid and/or offer. Also, competitors must cooperate with the regular specialist regarding openings and reopenings to ensure that they are unitary.

10. Limit orders entrusted to each competing specialist are to be represented and executed strictly according to time priority as to receipt of the order in the BEACON System.

11. Competing specialists must keep each other informed and communicate to inquiring Floor brokers the full size of any executable "all-or-none" orders in their possession since all-or-none orders cannot be represented in the published quote. The competing specialists are expected to represent such orders on a "best efforts" basis to ensure the execution of the entire order at a single price or prices, or not at all.

12. The registration of any competing specialist may be suspended or terminated by the Market Performance Committee upon a determination of any substantial or continued failure by such competing specialist to engage in dealings in accordance with the Constitution and Rules of the Exchange.

13. Competing Specialists shall be allowed to execute their customer orderflow which is related to index arbitrage only on plus or zero plus ticks when the Dow Jones Industrial Average ("DJIA") declines by fifty points or more from the previous day's closing value. Such requirement shall remain in effect for the remainder of the trading day once it has been activated, except that the requirement shall no longer apply where the DJIA moves back to a value which is twenty-five points or less from the previous day's closing value. "Index arbitrage" is defined as an arbitrage trading strategy involving the purchase or sale of a group of stocks in conjunction with the purchase or sale, or intended purchase or sale, of one or more cash-settled options or futures contracts on index stock groups or options on any such futures contracts, in an attempt to profit from the price difference between the group of stocks and the derivative index products.

The Specialist's Book

Sec. 6. The Specialist's book is the book, file or record in which all orders entrusted to the Specialist in a particular issue must be kept. It shall be closed at all times and the information therein contained shall not be divulged or permitted to come to the knowledge of anyone except the Specialist or relief Specialist for that book, or to the Board of Governors, a committee of the Exchange, or the Chairman or Officer designated by him, except that a Specialist may disclose information contained in his/her book [;]:

(i) for the purpose of demonstrating the methods of trading to visitors to the Floor; [or]

(ii) to other market centers in order to facilitate the operation of ITS or any other Application of the System provided, in either case, that at the same time he makes the information disclosed available to all members [;]; or

(iii) to competing specialists in his/her stocks on a summary basis as provided for in the "Procedures for Competing Specialists".

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 self-regulatory organization included

¹ Only the regular specialist can object to competition in his/her stocks.

² Unless the regular specialist is unavailable, in which case within 48 hours of becoming available.

³ Once an application is received by the Exchange, a written notification will be issued to the regular specialist(s) in whose stocks competition is being sought.

⁴ Once the stock has been reallocated to a regular specialist, that specialist shall not be permitted to object to competition in such stock.

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 self-regulatory organization 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 purpose of the proposed rule change is to seek permanent approval of the Exchange's Competing Specialist Initiative ("CSI") pilot program which is scheduled to expire on May 18, 1995. CSI permits competing specialists on the floor of the Exchange in the form of one regular specialist and one or more competing specialists. Orders are directed to either specialist based on each customer's independent decision, but all orders in a stock are executed in accordance with strict time priority. Once all limit orders at a price level are depleted, each specialist is responsible for the market orders directed to them.

The regular specialist is responsible for updating quotations and coordinating openings and reopenings to ensure they are unitary. All ITS activity must be cleared through the regular specialist. To all other markets in the National Market System, there is only one Boston market. Trading halts are coordinated through the regular specialist and apply to all competitors in a stock.

In addition, all competitors will be evaluated on competing stocks in the Exchange's Specialist Performance Evaluation Program.

2. Statutory Basis

The BSE believes that the statutory basis for this proposal is Section 6(b)(5) of the Act in that it furthers the objectives to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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

The Exchange does not believe that the proposed rule change will impose 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

Comments were neither solicited nor received.

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

Within 35 days of the 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 self-regulatory organization consents, the Commission will:

(A) By order approve the 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 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 at the Commission's Public Reference Section, 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 BSE. All submissions should refer to File No. SR-BSE-95-02 and should be submitted by March 21, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35403; File No. SR-CBOE-94-39]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Obligations to Furnish Information

February 22, 1995.

On November 7, 1994, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with 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 proposal to amend CBOE Rule 15.9, "Regulatory Cooperation,"³ to delineate the obligation of CBOE members and persons associated with CBOE members to furnish information in connection with inquiries arising from regulatory agreements that the Exchange has entered into with other regulatory and market institutions even in cases where the Exchange has not otherwise initiated an investigation.

In addition, the CBOE proposes to amend CBOE Rule 17.2, "Complaint and Investigation," to expand the set of circumstances under which members or persons associated with members are obligated, upon request by the Exchange, to appear and testify, respond in writing to interrogatories and furnish documentary materials and other information.

The proposal was published for comment in the **Federal Register** on December 8, 1994.⁴ No comments were received on the proposed rule change.⁵

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ CBOE Rule 15.9(a) allows the Exchange to "enter into agreements with domestic and foreign self-regulatory organizations, associations and contract markets and the regulators of such markets which provide for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and other regulatory purposes."

⁴ See Securities Exchange Act Release No. 35035 (December 1, 1994), 59 FR 63397 (December 8, 1994).

⁵ On February 15, 1995, the CBOE amended its proposal to clarify that when the Exchange requests information from a member pursuant to CBOE Rule 15.9(b), the member has the same rights and