which was not known to the staff at the time of its investigation.

2. Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose a burden on competition.

(C) Self-Regulatory Organization's Statement of Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were 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 self-regulatory organization 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 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 room. Copies are also available for inspection and copying at principal office of the Chicago Stock Exchange. All submissions should refer to file number SR–CHX–96–29 and should be submitted by January 6, 1997.

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.

[FR Doc. 96–31785 Filed 12–13–96; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF STATE

[Public Notice No. 2476]

Additional Information for the Iran and Libya Sanctions Act

This notice provides additional information about the Iran and Libya Sanctions Act of 1996 (P.L. 104–172—''the Act'').

Enactment and Delegation

The Act, signed by the President on August 5, 1996, does not replace or supersede existing sanctions against Iran or Libya. The Iranian Assets Control Regulations (31 C.F.R. Part 535), the Iranian Transactions Regulations (31 C.F.R. Part 560), and the Libyan Sanctions Regulations (31 C.F.R. Part 550) remain in effect and will continue to be administered by the Office of Foreign Assets Control at the U.S. Department of the Treasury.

On November 21, 1996, the President delegated to the Secretary of State responsibilities in the following sections of the Act, in some cases to be exercised in consultation with other agencies: Sections 4, 5, 6(1), 6(2), 9, and 10 (see, 61 Fed. Reg. 64249 (Dec. 4, 1996)). The Office of Economic Sanctions Policy will administer the Act for the Department of State.

Public inquiries regarding the Act may be sent to: Iran and Libya Sanctions Act Unit, Office of Economic Sanctions Policy, Room 3329, U.S. Department of State, 2201 C Street N.W., Washington, DC 20520; Attn.: John Finkbeiner, Telephone: (202) 647–7299.

Investment Definition

Section 14(9) INVESTMENT—The term ''investment'' means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovernmental entity in Iran, or with the Government of Libya or a nongovernmental entity in Libya, on or after the date of enactment of the Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran or Libya (as the case may be), or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in that development.

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development without regard to the form of the participation.

The term ''investment'' does not include the entry into, performance, or financing of a contract to sell or purchase goods, services, or technology.

Timing of Investment

In order for a contract or the purchase of a share of ownership to be considered under the definition of investment it must be undertaken ''pursuant to an agreement * * * that is entered into with the Government of Iran or a nongovernmental entity in Iran, or with the Government of Libya or a nongovernmental entity in Libya on or after the date of enactment of the Act.'' The House Ways and Means Committee Report states that ''Companies may perform existing contracts, and complete existing investments, such as subcontracts, farm-in arrangements, and the like in connection with contracts entered into prior to the date of enactment.'' The term ''agreement'' includes, inter alia, option contracts and contracts subject to extension.

What is ''Responsibility for the Development of Petroleum Resources?''

Section 14(4) defines ''development'' as ''the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.'' Therefore, the entry into a contract that includes responsibility for those activities could be considered an investment.

The investment definition specifically excludes contracts for the sale or purchase of goods, services or technology.

The definitions contained in Section 16 of the Export Administration Act (whose provisions are being carried out under the authority of the International Emergency Economic Powers Act) will be used for the terms ''goods'' and ''technology.'' The term ''good'' is defined as ''any article, natural or manmade substance, material, supply or manufactured product, including inspection and test equipment, and excluding technical data. ''Technology'' means ''the information know-how (whether in tangible form, such as models, prototypes, drawings, sketches,

diagrams, blueprints, or manuals, or in intangible form, such as training or technical services) that can be used to design, produce, manufacture, utilize, or reconstruct goods, including software and technical data, but not the goods themselves.''

With respect to the definition of ''services'', the House Ways and Means Committee Report states that the term investment is meant to include ''entry into a contract for the provision of management services entailing overall responsibility for the development of Iranian or Libyan petroleum resources or entailing general supervision and guarantee of another person's performance of such a contract.'' General concepts of investment can be used to determine whether a contract for such management services is an ''investment'' rather than a ''service contract.'' In making such a determination, factors such as whether capital is put at risk by the person involved, whether the person receives a share in the income or profits of the development (bearing in mind that the entry into a contract providing for such participation already falls within the definition of investment), whether the person receives an equity stake in the petroleum resources (bearing in mind that the purchase of a share of ownership in the development of petroleum resources already falls within the definition), whether compensation is based on the investment's performance, whether the person receives a share in the assets of the enterprise upon dissolution, can all be considered.

Any contract that includes overall responsibility for the development of petroleum resources could be captured by the definition, regardless of the parties involved, as long as the contract is entered into pursuant to an agreement with the Government of Iran, a nongovernmental entity in Iran, the Government of Libya, or a nongovernmental entity in Libya.

Parents and Subsidiaries

Section 5(c) states that sanctions will be imposed on:

(1) any person the President determines has carried out [sanctionable activities]; and

(2) any person the President determines—

(A) is a successor entity to the person referred to in paragraph (1);

(B) is a parent or subsidiary of the person referred to in paragraph (1) if that parent or subsidiary, with actual knowledge, engaged in the activities referred to in paragraph (1); or

(C) is an affiliate of the person referred to in paragraph (1) if that affiliate, with actual knowledge, engaged in the activities referred to in paragraph (1) and if that affiliate is controlled in fact by the person referred to in paragraph (1).

For parents of sanctioned persons, the term ''engaged in'' refers to facilitation and authorization of the entry into a contract that falls within the definition of investment. For subsidiaries and affiliates, it refers to actual participation in the implementation of the contract—for example, if the contract provided for certain elements to be carried out by subsidiary companies.

Dated: December 11, 1996.

Robert M. Maxim,

Acting, Deputy Assistant Secretary, Energy, Sanctions, and Commodities.

[FR Doc. 96–31853 Filed 12–13–96; 8:45 am]

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Trade Policy Staff Committee (TPSC); Request for Comments Concerning Compliance With Telecommunications Trade Agreements

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of request for public comments.

SUMMARY: This notice seeks advice on the operation and effectiveness of the telecommunications trade agreements with Japan, Korea, Taiwan, Mexico, and Canada through written submissions due January 24, 1997. The review will conclude March 31, 1997. The review, conducted pursuant to Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, must determine whether the above countries are not in compliance with the terms of such agreements or otherwise deny ''mutually advantageous market opportunities'' to U.S. products and services within the context of those agreements.

Specifically, USTR seeks information on:

Whether Japan, Korea, Taiwan, Canada, and Mexico have carried out their commitments under telecommunications agreements with the United States;

Whether levels of trade conform with the levels that would be expected based on these agreements; and

The underlying competitiveness of U.S. providers of telecom products or services.

DATES: Submissions must be received on or before January 24, 1997.

ADDRESSES: Comments must be submitted to the Executive Secretary, Trade Policy Staff Committee, Office of the United States Trade Representative, 600 17th Street, N.W., Washington, D.C. 20506.

FOR FURTHER INFORMATION CONTACT: Jim McGlinchey (202–395–5656), Office of Industry or Laura Sherman (202–395–3150), Office of the General Counsel, Office of the U.S. Trade Representative, 600 17th Street, NW, Washington, D.C. 20508.

SUPPLEMENTARY INFORMATION: Section 1377 of the Omnibus Trade and Competitiveness Act of 1988 requires the USTR to review annually the operation and effectiveness of all U.S. trade agreements regarding telecommunications products and services. The United States has telecommunications agreements with Japan, Canada, Mexico, Korea and Taiwan.

Japan

The United States has two telecommunications procurement agreements with the Government of Japan. The first, the Nippon Telegraph and Telephone (NTT) agreement, is designed to ensure that the government-owned, major telecommunications provider in Japan employs open, non-discriminatory and transparent procedures in procuring telecommunications products. In 1994, as part of the Framework discussions with Japan, NTT agreed to improve its procurement procedures to provide greater transparency and more timely notice to foreign suppliers. The improved measures are intended to increase reliance on international standards and to improve the impartiality of the process by requiring transparent and non-discriminatory selection criteria and by reducing single-tender sourcing.

The second procurement agreement is the 1994 U.S.-Japan Public Sector Procurement Agreement on Telecommunications Products and Services. Under this agreement, Japan introduced procedures addressing: enhanced participation by foreign suppliers in pre-solicitation development and specification-drafting for large-scale telecommunications procurements; transparent and non-discriminatory award criteria that include greatest overall value for procurement decisions; decreased sole sourcing; and the establishing of an effective bid protest mechanism.

The U.S. recently met with Japan to review implementation of the two procurement agreements. Under both agreements, foreign share increased slightly, but in both cases there may have been an evasion or disregard of the