

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to permit NSCC to eliminate its STS.³ NSCC Rule 42, which established STS, will be deleted. STS was originally developed by NSCC in 1976 to provide assistance with the manual processing of items that were ineligible at The Depository Trust Company ("DTC"). It was established as an optional service to be used by full settling participants for the high volume transfer of DTC ineligible items and for the high volume transfer and reregistration of physical securities through various transfer agencies. STS was also designed to deliver book closing items, legal transfers, and accommodation transfers. Once STS is eliminated, participants will process items directly through the appropriate transfer agent.

The STS process is primarily manual. STS participants first physically send envelopes containing securities certificates to an NSCC office. Pursuant to the participant's transfer instructions, the envelopes are next forwarded by NSCC to the offices of the indicated transfer agents, which are located throughout the United States and Canada. Upon completion of the reregistration, the transfer agents return the certificates to NSCC's office for pick up.

A review of STS' volume during the 1980s shows that STS processed approximately 670 securities certificates per day. As a high volume service, STS was able to take advantage of economies of scale for the broker-dealer community. However, after 1987 volume fell dramatically because DTC began increasing the number of DTC

eligible securities and because the Group of 30 initiatives caused the brokerage industry to move towards a book-entry registration environment which decreased the movement of physical securities.⁴ By 1994, STS' volume fell 82% to 120 securities certificates processed per day. The downward trend continues today. STS processed just over twenty-five items per day in October 1996 or about an 80% decrease from its 1994 volume and a 96% decrease from its 1980s volume.

NSCC expects to eliminate STS thirty business days after notification to participants that this proposed rule change is approved by the Commission. NSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act⁵ and the rules and regulations thereunder because the rule proposal will facilitate the prompt and accurate clearance and settlement of securities transactions.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a 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 have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change 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 NSCC 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

⁴The Group of Thirty, established in 1978, is an independent, non partisan organization composed of international financial leaders whose focus is on international economic and financial issues. In March 1989, the Group of Thirty issued a report containing nine recommendations to improve clearance and settlement systems.

⁵15 U.S.C. 78q-1.

arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of NSCC. All submissions should refer to the file number SR-NSCC-97-01 and should be submitted by March 28, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority,⁶

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[License No. 06/06-0288]

Wesbanc Ventures, Ltd; Notice of License Surrender

Notice is hereby given that Wesbanc Ventures, Ltd. ("WBV"), 6411 Rutgers Street, Houston, Texas 77005, has surrendered its license to operate as a small business investment company under the Small Business Investment Act of 1958, as amended ("the Act"). WBV was licensed by the Small Business Administration on May 28, 1985.

Under the authority vested by the Act and pursuant to the regulations promulgated thereunder, the surrender of the license was accepted on December 12, 1996, and accordingly, all rights, privileges, and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies.)

⁶17 CFR 200.20-3(a)(12).

²The Commission has modified the text of the summaries submitted by NSCC.

³STS is commonly referred to as the National Transfer Service.

Dated: February 27, 1997.
 Don Christensen,
 Associate Administrator for Investment.
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 BILLING CODE 8025-01-P

**OFFICE OF THE UNITED STATES
 TRADE REPRESENTATIVE**

[Docket No. WTO/DS-16]

**WTO Dispute Settlement Proceeding
 Regarding European Communities'
 Tariff Treatment of Some Computer
 Equipment**

AGENCY: Office of the United States
 Trade Representative.

ACTION: Notice; request for comments.

SUMMARY: Pursuant to section 127(b)(1) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3537(b)(1)), the Office of the United States Trade Representative (USTR) is providing notice that the United States has requested the establishment of a dispute settlement panel under the Agreement Establishing the World Trade Organization (WTO), to examine tariff increases by the European Communities (EC) and its member States on certain local area network (LAN) equipment and personal computers (PCs) with multimedia capacity. More specifically, the United States has requested the establishment of a panel to determine whether the EC has acted inconsistently with its obligations under Article II of the General Agreement on Tariffs and Trade 1994 (GATT 1994) in that the EC and its member States have increased tariffs above rates bound during the Uruguay Round for (1) LAN adapter cards, (2) other LAN equipment and (3) PCs with multimedia capability (including PCs with CD-ROM drives and cards enabling television reception.) USTR also invites written comments from the public concerning the issues raised in the dispute.

DATES: Although USTR will accept any comments received during the course of the dispute settlement proceedings, comments should be submitted on or before April 2, 1997, to be assured of timely consideration by USTR in preparing its first written submission to the panel.

ADDRESSES: Comments may be submitted to Ileana Falticeni, Office of Monitoring and Enforcement, Room 501, Attn: EC LAN Dispute, Office of the U.S. Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Andrea Casson, Attorney, 202-395-3582 or Matthew Rohde, Director for

Customs Affairs, 202-395-3063, Office of the U.S. Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

SUPPLEMENTARY INFORMATION: On February 11, 1997, the United States requested establishment of a WTO dispute settlement panel to examine whether the following measures are inconsistent with the EC's obligations under Article II of the GATT 1994: (1) Regulation No. (EC) 1165/95, which reclassifies certain LAN adapter cards from category 8471, "automatic data processing machines and units thereof," to category 8517, "telecommunications apparatus;" (2) the actions of customs authorities in EC member States in reclassifying and increasing tariffs on imports of all types of LAN equipment—including hubs, in-line repeaters, converters concentrators, bridges and routers; and (3) the actions of customs authorities in EC member States in reclassifying and increasing tariffs on imports of PCs with multimedia capacity.

The WTO Dispute Settlement Body (DSB) considered the U.S. request at its meeting on February 25, at which time a panel was established. Members of the panel are currently being selected. Under normal circumstances, the panel would be expected to issue a report detailing its findings and recommendations within six to nine months after it is established.

Major Issues Raised by the United States and Legal Basis of Complaint

In its schedule of tariff concessions under the GATT 1994, the EC and its member States have agreed to a bound tariff rate for automatic data processing (ADP) equipment and units, staged from the base rate of 4.4 percent ad valorem in 1995 to 2.5 percent ad valorem in 1999. The EC's adoption in June 1995 of the regulation reclassifying certain LAN adapter cards from the ADP category to the category for telecommunications apparatus resulted in an increase in tariffs on imports of such products to rates above the bound rate for ADP equipment.

In addition, since 1995, customs authorities in EC member States, including but not limited to those in the United Kingdom and Ireland, have reclassified all other types of LAN equipment from the ADP category to the telecommunications category, increasing the tariffs on these products above the bound ADP rate. Also, customs authorities in EC member States, particularly those in the United Kingdom, have reclassified certain PCs with multimedia capacity, formerly dutiable under the ADP category, to the

"video apparatus" or "television" categories, dutiable at rates above the bound rate for ADP equipment.

Article II of the GATT 1994 provides that each WTO Member shall afford the trade of other WTO Members treatment that is no less favorable than that provided for in the importing Member's schedule of tariff concessions, and that imports shall be not be subject to duties in excess of those provided for in that schedule. The United States contends that, in reclassifying imports of LAN equipment and multimedia PCs, the EC and its member States have increased duties on these products above the bound rates, and have afforded products imported from the United States treatment less favorable than that provided for in the EC schedule. In the view of the United States, these actions are inconsistent with the EC's obligations under Article II of the GATT 1994.

Public Comment: Requirements for Submissions

Interested persons are invited to submit written comments concerning the issues raised in the dispute. Comments must be in English and provided in fifteen copies. A person requesting that information contained in a comment submitted by that person be treated as confidential business information must certify that such information is business confidential and would not customarily be released to the public by the commenter. Confidential business information must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page of each copy.

A person requesting that information or advice contained in a comment submitted by that person, other than business confidential information, be treated as confidential in accordance with section 135(g)(2) of the Trade Act of 1974 (19 U.S.C. 2155)—

(1) Must so designate that information or advice;

(2) Must clearly mark the material as "SUBMITTED IN CONFIDENCE" in a contrasting color ink at the top of each page of each copy; and

(3) Is encouraged to provide a non-confidential summary of the information or advice.

Pursuant to section 127(e) of the URAA, USTR will maintain a file on this dispute settlement proceeding, accessible to the public, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, N.W., Washington DC 20508. The public file will include a listing of any comments received by USTR from the public with respect to