Register on October 29, 1998.[3] No comments were received on the proposal. This order approves the proposal.

II. Description of the Proposal

The Phlx proposes to adopt Rule 220 regarding stopping stock.[4] This rule codifies and enhances the procedures for stopping stock on the Exchange floor outlined in Phlx Advice A–2.[5]

Under the proposed rule change, an agreement by a Phlx specialist to ''stop'' securities at a specified price will constitute a guarantee by a member or member organization of the purchase or sale of the securities at the specified price or better.[6] Further, the specialist will be permitted to stop stock upon the unsolicited request of another member when the member is acting on behalf of either a public customer account or an account in which the member or another member has an interest. After granting the stop, the specialist must display the order in his or her quote, including representative size, and reduce the spread by bidding (offering) at a price higher (lower) than the prevailing bid or offer if not executed immediately after being stopped.[7] This procedure applies in other than minimum variation markets, that is, where the spread in the quotation is greater than twice the minimum variation.

Proposed Rule 220(b)(2) will prohibit the specialist from trading for his own account with any order he stopped while he is in possession of an order at an equal or better price than the price of the stopped order. The specialist must exercise due diligence to match the stopped order with such other order in his possession in accordance with Exchange Rules 119 and 120.

Proposed Rule 220(c) will provide that the member or member organization which agreed to stop the securities in order to obtain a favorable price will either provide price improvement or guarantee the stop price. If the order is executed at a less favorable price, then the member will be liable for the adjustment of the difference between the two prices.

Under proposed Rule 220(d), stopping orders in minimum variation markets will occur primarily when the bid (offer) is at a price higher (lower) than the primary market for the day. Specifically, the rule will provide that in minimum variation markets, the specialist must change his or her quoted bid (offer) in order to reflect the size of the order being stopped. In cases of minimum variation markets, a stopped order to buy (sell) will be filled: (1) after a transaction takes place on the primary market at the stop price or higher (lower) or (2) when the share volume on the Exchange at the bid (offer) is exhausted. All orders stopped in minimum variation markets shall be executed by the end of the trading day on which the order was stopped at no worse than the stopped price. In granting a stop in a minimum variation market, a specialist should change the quoted bid (offer) size in order to reflect the size of the order being stopped.

III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6(b).[8] Specifically, the Commission believes the proposal is consistent with the Section 6(b)(5)[9] requirements that the rules of an exchange be designed 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 and, in general, to protect investors and the public interest.[10]

In approving Phlx Advice A–2, the Commission urged the Phlx to submit a proposed rule which would ensure the proper handling of stopped stock.[11] The Commission suggested that any such rule should include, *inter alia*, the obligations of the member who agrees to grant the stop, a policy for determining the price at which the order should be executed and procedures for minimum variation markets that are consistent with the rules of priority, parity and precedence. The proposed rule change is fully responsive to the Commission's suggestions.

The practice of stopping stock enables exchange specialists to offer primary market price protection, an important price improvement function of specialists, by executing orders at better prices away from the primary market. Further, the practice of stopping stock provides the opportunity for the specialist to improve upon the market and narrow the bid/offer spread. The Commission believes the requirements of Rule 220, in particular, should increase the likelihood that a customer whose order is stopped will receive price improvement. The stop order procedures codified in Rule 220 provide that where ''the spread in the quotation is greater than the minimum variation of trading in the stock, the specialist is required to reduce the spread by bidding (offering) at a price higher (lower) than the prevailing bid or offer. Specifically each order on the book which has been stopped by the Specialist must be displayed, including a representative size, at its price or better if not executed immediately after being stopped.'' [12] Accordingly, the Commission believes that the proposed rule change is consistent with the objectives of Section 6(b)(5) of the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[13] that the proposed rule change (SR–PHLX–98–37) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–32607 Filed 12–8–98; 8:45 am]

BILLING CODE 8010–01–M

[3] Securities Exchange Act Release No. 40593 (October 22, 1998), 63 FR 58083 (File No. SR–PHLX–98–37).

[4] The proposed stopping stock rule is substantially similar to the stopping stock rules adopted by the Boston Stock Exchange (''BSE'') and the Chicago Stock Exchange (''CHX''). *See* BSE Chapter II, Section 38 and CHX Article XX, Rule 28.

[5] *See* Securities Exchange Act Release No. 34614 (August 30, 1994), 59 FR 46280 (September 7, 1994).

[6] See Proposed Rule 220(a).

[7] See Proposed Rule 220(b)(1).

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

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

[11] *See* Securities Exchange Act Release No. 34614 (August 30, 1994), 59 FR 46280 (September 7, 1994).

[12] *See* Proposed Rule 220(b)(1).

[13] 15 U.S.C. 78s(b)(2).

[14] 17 CFR 200.30–3(a)(12).

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

United States-European Union Transatlantic Economic Partnership

AGENCY: Office of the United States Trade Representative.

ACTION: Notice and Request for Comments.

SUMMARY: Under the Transatlantic Economic Partnership (TEP) initiative, the Governments of the United States and the European Union (EU) have agreed to explore and identify possible sectors in which the potential to extend

the U.S.–EU mutual recognition agreement (MRA) appears feasible and desirable. The United States is considering proposing to the EU that initially at least three new sectors be added to the U.S.–EU MRA: road safety equipment, marine safety equipment and calibration services. Such a proposal may be made as early as December 15, 1998, in preparation for the U.S.–EU Summit to be held on December 18, 1998. The Office of the United States Trade Representative (USTR) seeks public comment on the desirability and feasibility of negotiating mutual recognition agreements in these sectors.

DATES: Any initial comments should be submitted no later than December 15, 1998, in light of the possibility that the issues might arise in the context of the U.S.–EU Summit meeting on December 18, 1998. Additional comments should be submitted no later than January 15, 1999.

ADDRESSES: Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the U.S. Trade Representative, Room 122, 600 17th Street, NW, Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Ralph Ives, Deputy Assistant U.S. Trade Representative for Europe and the Mediterranean, (202) 395–4620; or James Sanford, Director for European Affairs and Technical Barriers, (202) 395–3320.

SUPPLEMENTARY INFORMATION: On May 18, 1998, President Clinton and his EU counterparts issued a joint statement announcing the TEP. [**Federal Register** notice, June 9, 1998, describes the TEP.] On November 9, 1998, the United States and the EU reached agreement on a joint ''Action Plan,'' as called for in the May 18 TEP statement. A copy of the Action Plan is available on USTR's website (www.ustr.gov) or upon request from Ms. Gloria Blue.

The U.S.–EU MRA was negotiated over a four year period. The MRA was signed on May 18, 1998. On October 30, 1998, the United States and the EU exchanged letters notifying the completion of their respective internal procedures, thereby allowing the MRA to enter into force on December 1, 1998.

An MRA generally allows conformity assessment—e.g., testing, inspecting, certifying—to be performed in the United States to standards and regulations of the other country, and vice versa, which reduces cost and saves resources. Under an MRA, the United States will maintain its current high level of health, safety, and environmental standards. The existing sectoral annexes of the U.S.–EU MRA cover the following products and associated conformity assessment procedures: (1) telecommunications and information technology equipment; (2) network and electromagnetic compatibility (EMC) for electrical products; (3) electrical safety for electrical products; (4) good manufacturing practices (GMP) for pharmaceutical products; (5) GMP and product assessment for certain medical devices; (6) and safety of recreational craft. Each sectoral annex contains specific provisions with respect to the products and associated conformity assessment procedures covered in the annex.

An *initial* tranche of additional sectors to propose to the European Commission of the EU might include the following:

Marine Safety Equipment

The U.S. Coast Guard of the Department of Transportation administers conformity assessment requirements for marine safety equipment used on merchant ships, which includes survival craft and other lifesaving equipment, as well as fire protection equipment and systems. The EU has similar conformity assessment requirements. Both conformity assessment systems are based on the same standards under the International Convention for the Safety of Life at Sea (SOLAS).

Road Safety Equipment

The U.S. Federal Highway Administration (FHWA), in the Department of Transportation, administers an acceptance program for equipment purchased by U.S. authorities with federal or other highway funds. The road safety equipment sector includes such devices as guardrails, bridge rails, median barriers, crash cushions, breakaway supports, work zone devices as well as other devices used on highways to ensure safety of errant motorists. The FHWA accepts test and evaluation procedures by which all manufacturers can qualify to sell in the U.S. market. The EU maintain similar requirements under its Construction Products Directive. Both systems involve third-party tests and acceptance (certifications).

Calibration Services

As the national metrological authority for the United States, the National Institute for Standards and Technology (NIST) generates measurement criteria used by U.S. regulatory agencies and the marketplace for such products as avionics and other electronic equipment. A mutual recognition agreement would recognize the equivalence of NIST's generated measures with those developed by EU national laboratories.

Public Comments

All written comments should be addressed to: Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the United States Trade Representative, 600 17th Street NW, Room 122, Washington, DC 20508.

The Chairman of the TPSC invites written comments from interested persons on the feasibility and desirability of negotiating MRAs in each of the sectors identified above. Comments are invited in particular on: (a) the benefits for pursuing an MRA in each of the sectors; and (b) any specific concerns regarding an MRA in any of the sectors, particularly any concerns regarding public safety considerations.

All submissions must be in English and should conform to the information requirements of 15 CFR Part 2003. Interested persons should submit initial written comments, particularly any objections to a proposed sector, in five (5) typed copies, as soon as possible, and by no later than December 15, 1998. All additional comments should be submitted by no later than January 15, 1999. Comments should state clearly the position taken and should describe the specific information (including data, if possible) supporting that position.

If the submission contains business confidential information, 5 copies of a confidential version must also be submitted. A justification as to why the information contained in the submission should be treated confidentially must be included in the submission. In addition, any submissions containing business confidential information must be clearly marked ''Confidential'' at the top and bottom of the cover page (or letter) and of each succeeding page of the submission. The version that does not contain confidential information should also be clearly marked, at the top and bottom of each page, ''public version'' or ''non-confidential.''

Written comments submitted in connection with this request, except for information granted ''business confidential'' status pursuant to 15 CFR 2003.6, will be available for public inspection at the USTR Reading Room, Room 101, Office of the United States Trade Representative, 600 Seventeenth Street, NW, Washington, DC. An appointment to review the file may be made by calling Brenda Webb at (202) 395–6186. The reading room is open to the public by appointment only from

9:30 a.m. to 12:00 noon and from 1:00 p.m. to 4:00 p.m., Monday through Friday.

Frederick L. Montgomery,

Chairman, Trade Policy Staff Committee.

[FR Doc. 98–32627 Filed 12–8–98; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on Application To Use the Revenue From a Passenger Facility Charge (PFC) at General Mitchell International Airport, Milwaukee, Wisconsin

AGENCY: Federal Aviation Administration, (FAA), DOT.

ACTION: Notice of Intent to Rule on Application.

SUMMARY: The FAA proposes to rule and invites public comment on the application to use the revenue from a PFC at General Mitchell International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101–508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

DATES: Comments must be received on or before January 8, 1999.

ADDRESSES: Comments on this application may be mailed or delivered in triplicate to the FAA at the following address: Minneapolis Airports District Office, 6020 28th Avenue South, Room 102, Minneapolis, Minnesota 55450.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to C. Barry Bateman, Airport Director of the General Mitchell International Airport, Milwaukee, Wisconsin at the following address: 5300 S. Howell Ave., Milwaukee, Wisconsin 53207–6189.

Air carriers and foreign air carriers may submit copies of written comments previously provided to the County of Milwaukee under section 158.23 of Part 158.

FOR FURTHER INFORMATION CONTACT: Sandra E. DePottey, Program Manager, Airports District Office, 6020 28th Avenue South, Room 102, Minneapolis, MN 55450, 612–713–4363. The application may be reviewed in person at this same location.

SUPPLEMENTARY INFORMATION: The FAA proposes to rule and invites public comment on the application to use the revenue from a PFC at General Mitchell International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101–508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

On November 9, 1998, the FAA determined that the application to use the revenue from a PFC submitted by County of Milwaukee was substantially complete within the requirements of section 158.25 of Part 158. The FAA will approve or disapprove the application, in whole or in part, no later than February 12, 1999.

The following is a brief overview of the application.

PFC application number: 99–04–U–00–MKE.

Level of the PFC: $3.00.

Actual charge effective date: May 1, 1995.

Proposed charge expiration date: June 1, 2005.

Total estimated PFC revenue: $2,665,000.00.

Brief description of proposed project(s): Storm water and de-icing system design and construction; Runway 7L/25R extension.

Class or classes of air carriers which the public agency has requested not be required to collect PFCs: FAR Part 135 air taxi.

Any person may inspect the application in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT**.

In addition, any person may, upon request, inspect the application, notice and other documents germane to the application in person at the County of Milwaukee.

Issued in Des Plaines, Illinois, on December 2, 1998.

Benito De Leon,

Manager, Planning/Programming Branch, Airports Division, Great Lakes Region.

[FR Doc. 98–32732 Filed 12–8–98; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on Application To Impose and Use the Revenue From a Passenger Facility Charge (PFC) at Rochester International Airport, Rochester, Minnesota

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of Intent to Rule on Application.

SUMMARY: The FAA proposes to rule and invites public comment on the application to impose and use the revenue from a PFC at Rochester International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Pub. L. 101–508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158).

DATES: Comments must be received on or before January 8, 1999.

ADDRESSES: Comments on this application may be mailed or delivered in triplicate to the FAA at the following address: Minneapolis Airports District Office, 6020 28th Avenue South, Room 102, Minneapolis, Minnesota 55450.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to Steven W. Leqve, Airport Manager of the City of Rochester, Rochester, MN at the following address: Helgerson Drive Southwest, Rochester, MN 55902.

Air carriers and foreign air carriers may submit copies of written comments previously provided to the City of Rochester under section 158.23 of Part 158.

FOR FURTHER INFORMATION CONTACT: Sandra E. DePottey, Program Manager, Airports District Office, 6020 28th Avenue South, Room 102, Minneapolis, MN 55450, 612–713–4350. The application may be reviewed in person at this same location.

SUPPLEMENTARY INFORMATION: The FAA proposes to rule and invites public comment on the application to impose and use the revenue from a PFC at Rochester International Airport under the provisions of the Aviation Safety and Capacity Expansion Act of 1990 (Title IX of the Omnibus Budget Reconciliation Act of 1990) (Public Law 101–508) and Part 158 of the Federal Aviation Regulations (14 CFR Part 158). On November 24, 1998 the FAA determined that the application to impose and use the revenue from a PFC submitted by City of Rochester was substantially complete within the requirements of section 158.25 of Part 158. The FAA will approve or disapprove the application, in whole or in part, no later than February 25, 1999.

The following is a brief overview of the application.

Level of the proposed PFC: $3.00.

PFC application number: 99–02–C–00–RST.

Proposed charge effective date: April 1, 1999.

Proposed charge expiration date: November 30, 2009.

Total estimated PFC revenue: $3,912,987.00.

Brief description of proposed projects: Terminal.