

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, 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. 20549-0609. 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 of such filing will also be available for inspection and copying at the principal office of the CBOE.

All submissions should refer to File No. SR-CBOE-99-40 and should be submitted by [insert date 21 days from date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-3370 Filed 2-11-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42400; File No. SR-NASD-99-23]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Locked and Crossed Markets That Occur Prior to the Opening of the Market

February 7, 2000.

I. Introduction

On May 3, 1999, the National Association of Securities Dealers, Inc.

("NASD" or "Association"), through its wholly-owned subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The proposed rule change would amend NASD Rule 4613(e), "Locked and Crossed Markets," to alter the rights and obligations of market participants in connection with locked and crossed markets³ that occur prior to the opening of the market. On May 14, 1999, Nasdaq filed Amendment No. 1 to the proposal.⁴ Notice of the proposed rule change, as amended, was published for comment in the **Federal Register** on June 10, 1999.⁵ The Commission received four comment letters on the proposal.⁶ Nasdaq responded to the commenters in a letter dated December 23, 1999.⁷ This order approves the proposal, as amended.

II. Description of the Proposal

Currently, NASD Rule 4613(e) requires a market participant⁸ that

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A locked market occurs when the quoted bid price is the same as the quoted ask price. A crossed market occurs when the quoted bid price is greater than the quoted ask price.

⁴ See Letter from Robert E. Aber, Senior Vice President and General Counsel, Nasdaq, to Richard Strasser, Assistant Director, Division of Market Regulation, Commission, dated May 14, 1999. Amendment No. 1 revised the proposal to require a market maker that sends a Trade-or-Move Message (as defined below) to place a modifier on the message indicating the message is a Trade-or-Move Message.

⁵ See Securities Exchange Act Release No. 41473 (June 2, 1999), 64 FR 31335.

⁶ See letter from Arthur J. Kearney, Chairman, and Leopold Korins, President and Chief Executive Officer, Security Traders Association, to Jonathan G. Katz, Secretary, SEC, dated May 28, 1999 ("STA Letter"); letter from Gerald D. Putnam, Chief Executive Officer, Archipelago, L.L.C., to Jonathan G. Katz, Secretary, SEC, dated June 30, 1999 ("Archipelago Letter"); letter from Kevin M. Foley, Bloomberg L.P., to Jonathan G. Katz, Secretary, SEC, dated July 12, 1999 ("Bloomberg Letter"); and letter from Cameron Smith, General Counsel, Island ECN, to Jonathan Katz, Secretary, SEC, dated July 12, 1999 ("Island Letter").

⁷ See letter from John F. Malitzis, Assistant General Counsel, Nasdaq, to Richard Strasser, Assistant Director, Division, Commission, dated December 23, 1999 ("December 23 Letter"). In the December 23 Letter, Nasdaq clarified that the proposal will apply to electronic communications networks ("ECNs"). In addition, Nasdaq provided an additional explanation of the rationale for the proposal and stated that the proposal would not require ECNs to assume proprietary positions.

⁸ NASD Rule 4613(e) discusses the obligations of "market makers" with regard to locked and crossed markets. For purposes of NASD Rule 4613(e), the term "market maker" includes: (1) Any NASD member that enters into an ECN, as that term is defined in Exchange Act Rule 11AC1-1(a)(8), a priced order that is displayed in Nasdaq; and (2)

enters a quotation at or after 9:25:00 a.m.¹ that would lock or cross the market at the opening to act to avoid locking or crossing the market at the opening, but in no case later than 30 seconds after the opening (*i.e.*, 9:30:30). The market participant could, for example, send a SelectNet order to take out the quotation(s) that the market participant is crossing or locking. Nasdaq states that although current NASD Rule 4613(e) has alleviated some instances of locked or crossed markets at the opening, locked and crossed markets continue to occur at the opening because a market participant whose quotation is locked or crossed may not respond immediately to the SelectNet message of a market participant seeking to resolve the locked or crossed market. To address ongoing concerns with locked and crossed markets, Nasdaq proposes to amend NASD Rule 4613(e).

The proposed rule change will alter the rights and obligations of market participants with regard to pre-opening locked and crossed markets. As described below, a market participant's rights and obligations will vary depending on whether the locked or crossed market occurs prior to or after 9:20 a.m.

Locks or Crosses Occurring At or After 9:20 a.m. and Before 9:30 a.m. Under the proposal, a market participant that enters a quotation that locks or crosses the market between 9:20 a.m. and 9:29:59 a.m. must send to each market participant that he locks or crosses a SelectNet message at the quoted price(s) of the receiving market participant ("Trade-or-Move Message") in an aggregate amount of at least 5,000 shares. The initiating or "active" locker must send the Trade-or-Move Messages to all parties to the lock or cross prior to or immediately after entering the locking or crossing quotation(s), and must place a modifier on each message indicating that the message is a Trade-or-Move Message.¹⁰ Within 30 second of receiving a Trade-or-Move Message, the recipient must either: (1) Trade in full with the incoming Trade-or-Move Message; (2) decline to trade with the incoming Trade-or-Move Message and move its quotation to a price level that unlocks or uncrosses the market; or (3)

any NASD member that operates the ECN when the priced order being displayed has been entered by a person or entity that is not an NASD member. See NASD Rule 4613(e)(3).

⁹ All references are to Eastern Time.

¹⁰ See Amendment No. 1, *supra* note 4. The Trade-or-Move modifier will allow a market participant to distinguish a Trade-or-Move Message (to which a receiving market maker is obligated to respond) from other pre-opening messages it may receive.

¹⁰ 17 CFR 200.30-3(a)(12).

trade with a portion of the incoming Trade-or-Move Message and move its quotation to a level that unlocks or uncrosses the market.

A market participant that trades in full with a Trade-or-Move Message (*i.e.*, up to the full amount of the incoming Trade-or-Move Message) may maintain, rather than move, its locked or crossed quotation if it wishes to trade more shares. Thereafter, any party to the lock or cross has the right, but not an obligation, to send a Trade-or-Move Message to any other party to the lock or cross. Any party to the lock or cross that receives a Trade-or-Move Message would be obligated to trade with the message or move its quotation within 30 seconds.

The following example illustrates the operation of this provision of the proposed rule:

At 9:21 a.m., MMA locks four market participants—MMB, MMC, MMD, and MME—each of which is quoting 1,000 shares. Because MMA has locked the market after 9:20 a.m., MMA must send Trade-or-Move Messages in an aggregate amount of 5,000 shares to all four market participants whose quotations MMA has locked. Accordingly, MMA sends a Trade-or-Move Message for 1,100 shares to MMB, which declines and moves its quotation. MMA sends a Trade-or-Move Message for 1,500 shares to MMC, who fills it partially (1,000 shares), and, as required, moves its quotation. MMA sends MMD a message for 400 shares. MMD fills the message in full and moves its quotation $\frac{1}{2}$ th to unlock the market.¹¹ MMA sends MME a 2,000-share message. MME fills it completely. MME may remain at its quotation, but is not required to do so. MME also may send a Trade-or-Move Message to MMA, which must trade with the message or move its quotation within 30 seconds. In addition, MMA may send another Trade-or-Move Message to MME, which must trade with the message or move its quotation.

Locks or Crosses Occurring Prior to 9:20 a.m. Beginning at 9:20 a.m., any market participant that is a party to a lock or cross that occurred prior to 9:20 a.m. will have the right, but not an obligation, to send a Trade-or-Move Message of any size to any party to the lock or cross. A market participant that receives a Trade-or-Move Message must respond within 30 seconds by either: (1) Trading in full with the incoming Trade-or-Move Message; (2) declining to trade with the incoming Trade-or-Move Message and moving its quotation to a price level that unlocks or uncrosses the

market; or (3) Trading with a portion of the incoming Trade-or-Move Message and moving its quotation to a level that unlocks or uncrosses the market. A market participant that trades in full with the incoming Trade-or-Move Message is not required to move its quotation.

The following example illustrates the operation of this provision of the proposed rule:

At 9:18 a.m., MMW and MMX are bidding 74, and MMY and MMZ enter offer prices of 73, which cross the market. Because it is before 9:20 a.m., none of the market participants may send Trade-or-Move Messages. At 9:20 a.m., all four market participants have the right to send Trade-or-Move Messages of any size to either of the two market participants crossing them. Any market participant that does not fill an incoming Trade-or-Move Message in full within 30 seconds must move its question out of the cross.

Unlike a market participant that actively locks or crosses the market after 9:20 a.m., a market participant that locks or crosses the market prior to 9:20 a.m. is not obligated to send a specific number of shares to all parties to the lock or cross. Nasdaq maintains that the distinction is appropriate because market participants often do not actively monitor their quotations prior to 9:20 a.m., and, as a result, it is often difficult to determine which party actively locked or crossed the market prior to 9:20 a.m. For this reason, the obligations and rights of the parties to the lock or cross do not begin until 9:20 a.m.

Nasdaq believes that the 9:20 a.m. benchmark establishes a reasonable point in time for market participants to begin responding to incoming Trade-or-Move Messages and actively monitoring their quotations to determine whether they are locking or crossing other market participants. In Nasdaq's view, a market participant that receives a Trade-or-Move Message at or after 9:20 a.m. and remains at its quotation without trading in full or in part with the incoming message generally would be considered in violation of the proposed rule, although it would not be considered to be a violation of NASDAQ Rule 4613(b).¹²

¹² Nasdaq states that because the proposed rule will apply to quotations entered prior to the opening of the market, a market participant that receives a Trade-or-Move Message prior to the opening would have no liability under NASDAQ Rule 4613(b), "Firm Quotations." In addition, Nasdaq believes that a market participant that receives a Trade-or-Move Message prior to the opening would owe no liability to the message under Exchange Act Rule 11Ac1-1. Thus, a market participant that receives a Trade-or-Move Message would be permitted to move its quote without

III. Summary of Comments

The Commission received four comment letters regarding the proposal.¹³ The STA supported the proposal, noting that its members have expressed concern about market disarray prior to the opening of the market. The STA believed that the proposal would substantially reduce the problem of pre-opening locked and crossed markets.

Archipelago, Bloomberg (the owner of Bloomberg Tradebook L.L.C.), and Island, which operate ECNs, opposed the proposal. The ECNs argued that the proposal would require ECNs, which generally do not trade on a proprietary basis, to assume proprietary positions in excess of the orders entered by their participants.¹⁴ Archipelago believed that the 5,000 share requirement would limit the ability of ECNs and smaller market makers to use Trade-or-Move Messages and would limit ECNs' and retail investors' participation in the pre-opening market. Archipelago urged Nasdaq to revise its proposal to decrease the 5,000-share Trade-or-Move Message requirement to a single unit of trading.

In addition, Bloomberg asserted that because the proposal omits references to ECNs, the application of the proposal to ECNs is unclear.¹⁵ Bloomberg also supported reducing the share requirement to the greater of 100 shares or the actual size of the order that would be locked or crossed.

Island argued that the share requirement could be anticompetitive because it requires a market participant to send a 5,000 share order if it wants to improve the inside market. It further noted that, due to the inability of some ECNs to manually modify their quotations, the proposal could force ECNs to execute 5,000 share orders, regardless of the size of the ECN's quotation. Island recommended that Nasdaq address the problem of pre-opening locked and crossed markets by permitting market makers to open firm, pre-opening quotations. A market maker

trading upon the receipt of what, during market hours, would be a SelectNet liability order.

Under the current proposal, a market participant that receives a Trade-or-Move Message within the last 30 seconds before the opening (*i.e.*, at or after 9:20 a.m.) must trade or move within 30 seconds, even if the end of that 30 seconds occurs after the market's opening. Moreover, a market participant that wishes to enter a locking or crossing quote at or after 9:30 a.m. would be required to use reasonable means to avoid locking or crossing the market by, for example, sending a SelectNet message to the party (or parties) it will lock or cross. See NASD Notice to Members 97-49.

¹³ See note 6, *supra*.

¹⁴ See Archipelago Letter, Bloomberg Letter, and Island Letter, *supra* note 6.

¹⁵ See Bloomberg Letter, *supra* note 6.

¹¹ Because MMD has filled the message in full, it is not required to move its quote.

whose closed quotation was locked or crossed by an open quotation would be required to open its quotation at a modified level or risk an unexcused withdrawal at or prior to the open.

IV. Discussion

After carefully considering all of the comments, the Commission finds, for the reasons discussed below, that the proposed rule change is consistent with the Act and the rules and regulations applicable to the NASD. In particular, the Commission finds that the proposal is consistent with the requirements of Sections 15A(b)(6), 15A(b)(11), and Section 11A(a)(1)(C) of the Act.¹⁶ Section 15A(b)(6) requires that the rules of a registered national securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, and 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. Section 15A(b)(11) requires that the rules of a registered national securities association be designed to produce fair and informative quotations, prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations. In Section 11A(a)(1)(C), 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: (1) Economically efficient execution of securities transactions; (2) fair competition among brokers and dealers; (3) the availability to brokers, dealers and investors of information with respect to quotations and transactions in securities; (4) the practicability of brokers executing investors' orders in the best market; and (5) an opportunity for investors' orders to be executed without the participation of a dealer.¹⁷

Specifically, the Commission finds that the proposal is consistent with Sections 15A(b)(6), 15A(b)(11), and 11A(1)(C) of the Act because it is designed to reduce the frequency of pre-opening locked and crossed markets, which should help to provide more

informative quotation information, facilitate price discovery, and contribute to the maintenance of a fair and orderly market. The proposal will require a market participant that enters a locking or crossing quotation between 9:20 a.m. and 9:29:59 a.m. to send Trade-or-Move Message(s) in an aggregate amount of 5,000 shares to each party to the locked or crossed market, thereby creating a substantial trading requirement for any market participant that wishes to enter a locking or crossing quotation between 9:20 a.m. and 9:29:59 a.m. In addition, the proposal will allow, but not require, any party to a locked or crossed market that occurs prior to 9:20 a.m. to send a Trade-or-Move Message of any size after 9:20 a.m. to any other party to the locked or crossed market. The recipient of a Trade-or-Move Message must respond to that message within 30 seconds of receiving it.

The Commission believes that the 5,000 share Trade-or-Move Message requirement may reduce instances for pre-opening locked and crossed markets by creating a disincentive for a market participant to enter a locking or crossing quotation between 9:20 a.m. and 9:29:59 a.m. In addition, Trade-or-Move Message may provide an effective mechanism for promptly resolving any pre-opening locked or crossed markets that occur. In this regard, the Commission notes that the recipient of a Trade-or-Move Message must respond to the message within 30 seconds by either (1) trading in full with the incoming Trade-to-Move Message; (2) declining to trade with the incoming Trade-or-Move Message and moving its quotation to a price level that unlocks or uncrosses the market; or (3) trading with a portion of the incoming Trade-or-Move Message and moving its quotation to a price level that unlocks or uncrosses the market. By reducing instances of pre-opening locked and crossed markets, and facilitating the prompt resolution of any pre-opening locked or crossed markets that occur, the proposal should help to provide a more orderly opening in Nasdaq securities, to the benefit of all market participants.

The Commission believes, as it has concluded previously,¹⁸ that continued locking and crossing of the market can negatively impact market quality. By helping to reduce the frequency of pre-opening locked and crossed markets, the Commission believes that the proposal should improve market quality and

enhance the production of fair and orderly quotations. Accordingly, the Commission believes that the proposal is designed to produce fair and informative quotations, consistent with Section 15A(b)(11), and to remove impediments to and perfect the mechanism of a free and open market and a national market system, consistent with Section 15A(b)(6).

As discussed more fully above, several ECNs expressed concerns regarding the proposal.¹⁹ In response, Nasdaq stated that the current proposal would apply equally to market makers and ECNs, and the customers of market makers and ECNs.²⁰

In response to questions concerning the rationale for the 5,000 share Trade-or-Move Message, Nasdaq stated that a market participant should not be able to "bid up" or otherwise manipulate the opening price of a security by displaying a 100 share locking or crossing quote prior to the opening of the market.²¹ According to Nasdaq, the 5,000 share Trade-or-Move Message requirement is designed to require a market participant to risk significant capital if it intends to lock or cross the market during one of the most critical points in the trading day.²²

Nasdaq disagreed with the commenters' assertions that the 5,000 share requirement would require ECNs to assume unwanted proprietary positions and would effectively exclude ECNs from the pre-opening session. In this regard, Nasdaq stated that an ECN with an order of less than 5,000 shares that would lock or cross the market could (1) attempt to match the order internally with the order of another subscriber; (2) attempt to fill the order by sending a SelectNet message to the market participant(s) it would lock or cross; or (3) wait to accumulate the 5,000 shares and then send a Trade-or-Move Message. In addition, an ECN whose subscriber entered a locking or

¹⁹ Specifically, the ECNs maintained that: (1) The application of the proposal to ECNs was unclear; (2) the 5,000 share Trade-or-Move Message requirement discriminates unfairly against ECNs and would create an unnecessary or inappropriate burden on competition by requiring ECNs to assume unwanted proprietary positions; (3) the proposal would require an ECN to execute the full size of an incoming 5,000 share Trade-or-Move Message, regardless of the size of the ECN's quotation; (4) the 5,000 share Trade-or-Move Message requirement would penalize a market participant seeking to improve the inside price; (5) the proposal would limit the participation of ECNs, retail investors, and smaller broker-dealers in the pre-opening market; and (6) Nasdaq failed to provide a rationale for the 5,000 share Trade-or-Move Message requirement.

²⁰ See December 23 Letter, *supra* note 7.

²¹ See December 23 Letter, *supra* note 7.

²² See December 23 Letter, *supra* note 7.

¹⁶ 15 U.S.C. 78o-3(b)(6), 15 U.S.C. 78o-3(b)(11), and 15 U.S.C. 78k-1(a)(1)(C).

¹⁷ In approving the proposed rule change, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁸ See Securities Exchange Act Release No. 40455 (September 22, 1998), 63 FR 51978 (September 29, 1998) (order approving File No. SR-NASD-98-01 ("1998 Order"))

crossing quotation between 9:20 a.m. and 9:29:59 a.m. could require its subscriber to comply with the Trade-or-Move Message requirement.²³ Nasdaq also noted that an ECN with a pre-opening order that locked or crossed the market could wait until the opening of the market before sending a SelectNet message to the market participants it would lock or cross.²⁴

Nasdaq stated that the proposal would not require an ECN that received a Trade-or-Move Message in excess of its subscriber's posted quotation to execute the full size of the incoming Trade-or-Move Message.²⁵ Instead, the ECN would be required to execute the incoming Trade-or-Move Message only up to the size of its subscriber's order and could then decline the remainder of the Trade-or-Move Message.²⁶ For example, if an ECN received a 5,000 share Trade-or-Move Message directed to its subscriber's 1,000 share order, the ECN would fill its customer's 1,000-share order and decline the remainder of the Trade-or-Move Message.²⁷

Nasdaq also maintained that the 5,000 share requirement must apply equally to ECNs and market makers for the proposed rule to operate effectively.²⁸ If the requirement applied to market makers but not to ECNs, a market maker or its customer could avoid the requirement by entering a locking or crossing order in an ECN for display in Nasdaq.²⁹ In addition, because the 5,000 share requirement applies equally to all market participants, including market makers, the customers of market makers, and ECN subscribers, Nasdaq maintained that the proposal is consistent with Section 15(a)(6) of the Act and does not discriminate between customers, issuers, brokers, or dealers.³⁰

The Commission believes that the proposed changes are a reasonable means to address the problem of pre-opening locked and crossed markets. By establishing a significant trading requirement for a market participant seeking to enter a locking or crossing quotation prior to the opening of the market, the proposal may reduce the frequency of pre-opening locked and crossed markets. The Commission

believes that a substantial trading requirement, such as the 5,000 share Trade-or-Move Message requirement proposed by Nasdaq, rather than the 100 share or actual size trading requirement suggested by the commenters, may be useful to achieve the proposal's goal of reducing instances of pre-opening locked and cross markets.

As Nasdaq noted in its response to the commenters, an ECN with a subscriber seeking to enter a pre-opening order of less than 5,000 shares that would lock or cross the market has a number of options open to it that do not require the ECN to take a proprietary position. An ECN can reject the locking or crossing order, just as ECNs reject locking or crossing orders during normal trading hours. Alternatively, an ECN whose subscriber entered a locking or crossing order between 9:20 a.m. and 9:29:59 a.m. could require the subscriber to comply with the Trade-or-Move Message requirement.³¹ In addition, the proposal would not require an ECN that received a Trade-or-Move Message in excess of its subscriber's quotation to execute the full size of the incoming Trade-or-Move Message; instead, the ECN could trade with the incoming Trade-or-Move Message up to the size of its subscriber's order and decline the remainder of the Trade-or-Move Message.³² For these reasons, the Commission does not believe that the proposal would exclude ECNs from participating in the pre-opening market. In addition, because the proposed Trade-or-Move Message requirements will apply equally to orders placed through market makers and through ECNs, the Commission does not believe that the proposal discriminates unfairly against ECNs.

The Commission believes that Nasdaq's position that the proposal must apply equally to all market participants to operate effectively is reasonable. As argued, an exception from the Trade-or-Move Message requirements for orders entered into an ECN could allow market participants to avoid the requirements of the proposed rule by placing orders with an ECN rather than with a market maker.³³

With regard to one commenter's assertion that the proposal penalizes a market participant seeking to provide price improvement, the Commission notes that the proposal is designed to provide a more orderly opening for the Nasdaq market and to prevent efforts to manipulate the opening price of a security by entering a 100 share locking

or crossing quotation.³⁴ The Commission believes that the proposal is a reasonable means to accomplish these goals. Finally, the Commission notes that market participants would be able to enter quotations that are not subject to the 5,000 share Trade-or-Move Message requirement after the market opens at 9:30 a.m.³⁵

V. Conclusion

For the reasons discussed above, the Commission finds that the proposed rule change is consistent with the Act in general, and in particular, with Sections 15A(b)(6), 15A(b)(11), and Section 11A of the Act.

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,³⁶ that the proposed rule change (SR-NASD 99-23), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-3371 Filed 2-11-00; 8:45 am]

BILLING CODE 8010-01-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Generalized System of Preferences (GSP); Deadline for Submitting Comments on the Withdrawal of GSP Benefits for Belarus and Schedule of Hearings and Deadlines for Submitting Comments on Petitions for the GSP 1999 Country Practices Review

AGENCY: Office of the United States Trade Representatives (USTR).

ACTION: Notice.

SUMMARY: The purpose of this notice is to set forth the timetables for (1) public comment on the proposal of the Trade Policy Staff Committee (TPSC) to withdraw GSP benefits from Belarus because of lack of progress on internationally recognized worker rights and (2) public hearings on petitions requesting modifications in the status of certain GSP beneficiary developing countries in regard to their intellectual property practices, as specified in 15 CFR 2007.(b)

FOR FURTHER INFORMATION CONTACT: GSP Subcommittee, Office of the United States Trade Representative, 600 17th Street, NW, Room 518, Washington, DC

²³ Telephone conversation between John Malitzis, Assistant General Counsel, Nasdaq, and Yvonne Fraticelli, Special Counsel, Division, Commission, on January 18, 2000.

²⁴ See December 23 Letter, *supra* note 7.

²⁵ Telephone conversation between John Malitzis, Assistant General Counsel, Nasdaq, and Yvonne Fraticelli, Special Counsel, Division, Commission, on January 24, 2000.

²⁶ See January 24 conversation, *supra* note 25.

²⁷ See January 24 conversation, *supra* note 25.

²⁸ See December 23 Letter, *supra* note 7.

²⁹ See December 23 Letter, *supra* note 7.

³⁰ See December 23 Letter, *supra* note 7.

³¹ See January 18 conversation, *supra* note 23.

³² See January 24 conversation, *supra* note 25.

³³ See December 23 Letter, *supra* note 7.

³⁴ See December 23 Letter, *supra* note 7.

³⁵ However, as the Commission has noted previously, market participants are required to use reasonable means to avoid locking and crossing the market. See 1998 Order, *supra* note 18.

³⁶ 15 U.S.C. 78s(b)(2).

³⁷ 17 CFR 200.30-3(a)(12).