

inclusion in the Service.⁷ At the time of this proposed rule change, funds included in the News Media List paid an annual fee of \$275, and funds included in the Supplemental List paid an annual fee of \$200.

According to Nasdaq, the original MFQS was built as a DOS-based application, but in recent years technology has progressed, and thus user needs for the MFQS have increased. Responding to requests made by users of the MFQS, the mutual fund industry, and the Investment Company Institute ("ICI"), Nasdaq performed market research to determine which enhancements MFQS users would prefer in a redesigned Service. In its proposal, Nasdaq represents that since the last fee increase in 1996,⁸ the MFQS software application has been rewritten, and notable technology enhancements have been implemented to support the Service's functionality.

Specifically, in 1998, Nasdaq took the list of enhancements requested by MFQS users and developed and implemented an entirely new MFQS application that uses browser-based technology. The MFQS now permits funds included in the Service (or pricing agents designated by such funds) to use the browser-based technology to transmit directly to Nasdaq a multitude of pricing information, including information about a fund's net asset value, offer price, and closing market price. Nasdaq has incorporated 20 of the approximately 27 enhancements suggested by the mutual fund industry into the new MFQS application, and two more are scheduled for implementation in early 2000.

The browser-based MFQS upgrade became fully-operational in May 1999. In its proposal Nasdaq represents that, due to the significant costs for development, maintenance, and support of the new MFQS product, additional revenue was needed to (1) sustain the quality of the MFQS; and (2) make future product enhancements to the MFQS, to improve efficiency and accuracy of price reporting. In addition, the MFQS is operating at a yearly loss in light of the recent technology enhancements to the Service. Accordingly, Nasdaq proposes to increase its fees for the Supplemental List from \$200 to \$275 and for the News Media List from \$275 to \$400.

III. Discussion

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 association, and in particular, with the requirements of Section 15A of the Act.⁹ Specifically, the Commission finds that the proposal is consistent with Section 15A(b)(5)¹⁰ of the Act.

Section 15A(b)(5)¹¹ of the Act requires that the rules of a national securities association provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the association operates or controls. The Commission believes that Nasdaq's proposed increase its user fees is a fair means of recovering the cost related to the development and maintenance of the enhanced MFQS. Moreover, the Commission believes that the increase in fees will support future improvements to the System that will improve efficiency and accuracy in the collection of pricing information. The Commission finds that the proposal is consistent with Section 15A(b)(5)¹² insofar as the fees will be imposed directly and only on those who requested and benefit from recent enhancements to the MFQS—users of the Service and the ICI. Consequently, the increased fees are reasonable and consistent with Section 15A(b)(5)¹³ of the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the proposed rule change (SR-NASD-99-77) be and hereby is approved.¹⁵

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

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⁹ 15 U.S.C. 78o-3.

¹⁰ 15 U.S.C. 78o-3(b)(5).

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 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).

¹⁶ 17 CFR 200.30-3(a)(12).

DEPARTMENT OF STATE

[Public Notice 3261]

Bureau of Educational and Cultural Affairs; Notice: Extension of Deadline for South Pacific Scholarship Program RFP

SUMMARY: The deadline for the South Pacific Scholarship RFP has been extended from April 7, 2000 to April 24, 2000. The RFP was originally published as Public Notice 3242 in the **Federal Register** on March 9, 2000 (65 FR 12609).

For further information, please contact Marianne Craven at mcraven@usia.gov 202/619-6409 (tel), or 202/205-2452 (fax).

Dated: March 15, 2000.

Evelyn S. Lieberman,

Under Secretary for Public Diplomacy and Public Affairs, Department of State.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Meeting of the Trade and Environment Policy Advisory Committee (TEPAC)

AGENCY: Office of the United States Trade Representative.

ACTION: Notice that the April 4, 2000, meeting of the Trade and Environment Policy Advisory Committee will be held from 8:30 am to 12:00 noon. The meeting will be closed to the public from 8:30 am to 11:30 am and open to the public from 11:30 am to 12:00 noon.

SUMMARY: The Trade and Environment Policy Advisory Committee will hold a meeting on April 4, 2000 from 8:30 am to 12:00 noon. The meeting will be closed to the public from 8:30 am to 11:30 am. The meeting will include a review and discussion of current issues which influence U.S. trade policy. Pursuant to Section 2155(f)(2) of title 19 of the United States Code, I have determined that this meeting will be concerned with matters the disclosure of which would seriously compromise the development by the United States Government of trade policy, priorities, negotiating objectives or bargaining positions with respect to the operation of any trade agreement and other matters arising in connection with the development, implementation and administration of the trade policy of the United States. The meeting will be open to the public and press from 11:30 am to 12:00 noon, when trade policy issues

⁷ See NASD Rule 7090.

⁸ See Securities Exchange Act Release No. 37014 (March 22, 1996), 61 FR 14182 (March 29, 1996) (File No. SR-NASD-96-05).