

applicable to a national securities exchange, and in particular, with the requirements of section 6(b)(5).¹³ The Commission notes that it has previously approved similar listing standards proposed by the Amex and the CBOE for options on trust issued receipts, and it believes that the PCX's proposal contains adequate safeguards, matching those previously approved.¹⁴ As the Commission found in its previous approvals of the listing standards proposed by the Amex and the CBOE, the listing and trading of options, including FLEX equity options on exchange-traded trust issued receipts, should give investors a better means to hedge their positions in the underlying trust issued receipts. The Commission also believes that pricing of the underlying trust issued receipts may become more efficient, and market makers in these shares, by virtue of enhanced hedging opportunities, may be able to provide deeper and more liquid markets. In sum, the Commission believes that options on trust issued receipts likely will engender the same benefits to investors and the marketplace that exist with respect to options on common stock, thereby serving to promote the public interest, to remove impediments to a free and open securities market, and to promote efficiency, competition, and capital formation.¹⁵

The Commission finds that the Exchange's listing and delisting criteria for options on trust issued receipts are adequate. The proposed listing and maintenance requirements should ensure that there exist adequate supplies of the underlying trust issued receipts in case of the exercise of an option, and a minimum level of liquidity to control against manipulation and to allow for the maintenance of fair and orderly markets. The PCX's additional requirements for opening additional series or options on HOLDERS will also ensure that the underlying securities are options eligible, and for the most part will satisfy minimum thresholds previously approved by the Commission.

The Commission also believes that the surveillance standards developed by the PCX for options on trust issued receipts are adequate to address the concerns associated with the listing and trading of such securities. The PCX's proposal to limit the weight of the portfolio that may be composed of ADRs

whose primary markets are in countries that are not subject to comprehensive surveillance agreements is similar to that previously approved by the Commission.¹⁶ As to domestically traded trust issued receipts themselves and the domestic stocks in the underlying portfolio, the Intermarket Surveillance Group ("ISG") Agreement will be applicable to the trading of options on trust issued receipts.¹⁷

Finally, the Commission believes that the PCX's proposed margin requirements are appropriate. The Commission notes that they are comparable to margin requirements that currently apply to broad-based and narrow-based index options, and to those previously approved for use at the Amex.¹⁸

The Commission finds good cause for approving the proposed rule change (SR-PCX-01-15) prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register** under section 19(b)(2) of the Act.¹⁹ As noted above, the trading requirement for options on trust issued receipts at the PCX will be substantially similar to those at the Amex and the CBOE, which the Commission has approved.²⁰ The Commission does not believe that the proposed rule change raises novel regulatory issues that were not already addressed and should benefit holders of trust issued receipts by permitting them to use options to manage the risks of their positions in the receipts. Accordingly, the Commission finds that there is good cause, consistent with section 6(b)(5) of the Act,²¹ to approve the proposal on an accelerated basis.

V. Conclusion

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act,²² that the proposed rule change (SR-PCX-01-15) is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²³

Margaret H. McFarland,

Deputy Secretary.

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¹³ See *supra* note 6.

¹⁷ ISG was formed on July 14, 1983, to, among other things, coordinate more effectively surveillance and investigative information sharing arrangements in the stock and options markets.

¹⁸ See *supra* note 6.

¹⁹ 15 U.S.C. 78s(b)(2).

²⁰ See *supra* note 6.

²¹ 15 U.S.C. 78f(b)(5).

²² 15 U.S.C. 78s(b)(2).

²³ 17 CFR 200.30-3(a)(12).

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Meeting of the Industry Sector Advisory Committee on Services (ISAC-13)

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of meeting.

SUMMARY: The Industry Sector Advisory Committee on Services (ISAC-13) will hold a meeting on April 24, 2001, from 9 a.m. to 12 noon. The meeting will be opened to the public from 9 a.m. to 9:45 a.m. and closed to the public from 9:45 a.m. to 12 noon.

DATES: The meeting is scheduled for April 24, 2001, unless otherwise notified.

ADDRESSES: The meeting will be held at the Department of Commerce, Conference Room B-841A located at 14th Street between Pennsylvania and Constitution Avenues, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Karen Holderman (202) 482-0345 Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230 (principal contact), or myself on (202) 395-6120.

SUPPLEMENTARY INFORMATION: During the opened portion of the meeting the following topics will be covered:

- Results of March 2001 Stocktaking Exercise.
- Council for Trade Services Agenda Until WTO Ministerial in November, 2001 Negotiations.

Christina Sevilla,

Acting Assistant United States Trade Representative for Intergovernmental Affairs and Public Liaison.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

[USCG-2001-9380]

Towing Safety Advisory Committee

AGENCY: Coast Guard, DOT.

ACTION: Notice of public meeting.

SUMMARY: The Towing Safety Advisory Committee (TSAC) will meet to consider draft comments from the Fire Suppression and Voyage Planning Working Group. The comments, when approved by the Committee, will be forwarded to the docket for the Coast Guard's rulemaking on Fire Suppression and Voyage Planning for Towing

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ See *supra* note 6.

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