

dealers and municipal securities dealers.

The Commission must approve a proposed MSRB rule change if the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that govern the MSRB.⁴ The Commission finds that the proposed rule change meets this standard. In particular, the Commission finds that the proposed rule is consistent with the requirements of Section 15B(b)(2)(C) of the Act,⁵ which requires, that the MSRB's rules 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, settling, process 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 system, and, in general, to protect investors and the public interest.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act⁶, that the proposed rule change (File No. MSRB-2001-04) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority⁷.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44648; File No. SR-NSCC-2001-11]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Regarding IntraDay Contract Reports

August 2, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 14, 2001, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange

Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change modifies NSCC's Procedures to provide that contract lists may be made available to members on an intraday basis. The proposed rule change also amends NSCC's Rules to provide that the earlier production of trade reports will not change the timing of NSCC's trade guaranty.

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 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

Delivering trade data output to NSCC's participants throughout the day has been identified as one of many components necessary to meet the challenge of shortening the clearance and settlement process as the securities industry moves towards settlement on a T+1 basis. Accordingly and in preparation for the move towards shortened settlement cycles, NSCC is modifying its Procedures³ to provide that contract lists may be issued to participants on a multibatch intraday basis to report trade activity that has been submitted by or on behalf of participants through such intraday processing time. NSCC states that such reporting will provide its participants with trade information on an earlier and more frequent basis as well as increase NSCC's processing capacity.

The provisions of intraday reports is not at this time intended to impact or

change the timing of NSCC's trade guaranty obligations, which under the current rules become effective at midnight of the day on which trades are reported to participants as compared or recorded. NSCC generally reports trades on T+1. The timing of the guaranty was based on the fact that NSCC has historically provided its participants with end of day contract reporting early in the morning of T+1. NSCC wants to make contract sheets available intraday throughout the day on trade date but does not want at this time to be required to provide an earlier trade guaranty. NSCC is currently analyzing what risk procedures it needs to cover an early guaranty.

To ensure that the earlier trade reporting does not impact the trade guaranty, NSCC is modifying Addenda K and M. As both addenda currently set forth NSCC's trade guaranty policies, these provisions are being consolidated in Addendum K, and Addendum M will be deleted. The revised Addendum K will now provide that NSCC will guaranty the completion of CNS and balance order trades as of the later of: (i) Midnight of T + 1 or (ii) midnight of the day the trades are reported to participants as compared or recorded on contracts. In addition, certain changes are being made to Addendum K to delete provisions relating to services (relating to New York Windows and the International Securities Clearing Corporation) NSCC no longer provides.

NSCC states that this rule change permits trade information to be made available to NSCC's participants on an earlier and more frequent basis and therefore will facilitate the prompt and accurate clearance and settlement of securities transactions without jeopardizing the safety and soundness of the clearing process. NSCC believes that the proposed rule change is therefore consistent with the requirements with Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

(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 relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments it receives.

⁴ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-4(b)(2)(C).

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified parts of these statements.

³ NSCC's Procedure II, Trade Comparison Service.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change constitutes an interpretation with respect to the meaning, administration, or enforcement of an existing rule of NSCC, it has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁴ and Rule 19b-4(f).⁵ At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposal 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 Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NSCC. All submissions should refer to the File No. SR-NSCC-2001-11 and should be submitted by August 31, 2001.

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

Margaret H. McFarland,

Deputy Secretary.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. 301-121]

Determination of Action To Suspend GSP Benefits Under Section 301(b); Further Proposed Action and Publication of Preliminary Product List; and Request for Public Comment: Intellectual Property Laws and Practices of the Government of Ukraine

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of determinations and action; notice of proposed action; request for written comments; invitation to participate in public hearing.

SUMMARY: The United States Trade Representative (Trade Representative), pursuant to sections 304(a)(1)(A) and 301(b) of the Trade Act of 1974, as amended (the Trade Act), has determined that certain acts, policies, and practices of Ukraine with respect to the protection of intellectual property rights are unreasonable and burden or restrict United States commerce and are thus actionable under section 301(b). Pursuant to sections 304(a)(1)(B), 301(b) and 301(c) of the Trade Act, the Trade Representative has determined that appropriate action to obtain the elimination of such acts, policies, and practices includes the suspension of duty-free treatment accorded to all products of Ukraine under the Generalized System of Preferences (GSP) program. Moreover, because further action may include the imposition of prohibitive duties on certain products of Ukraine, in this notice USTR is also publishing a preliminary list of Ukrainian products under consideration for the imposition of prohibitive duties. USTR invites interested persons to submit written comments and to participate in a public hearing concerning the possible imposition of prohibitive duties on the products on the enclosed preliminary list.

EFFECTIVE DATES: The Trade Representative's determinations as to actionability under section 301(b) and the suspension of GSP benefits were made on August 2, 2001. The suspension of Ukraine's GSP benefits will be effective with respect to goods entered, or withdrawn from warehouse, for consumption on or after August 24, 2001. With respect to the preliminary list of Ukrainian products under consideration for the imposition of prohibitive duties: requests to appear at the public hearing are due by August 24,

2001; written testimony is due by August 31, 2001; a public hearing is scheduled for September 11, 2001; and written comments and rebuttal comments are due by September 17, 2001.

ADDRESSES: Requests, comments, and testimony should be submitted to Sybia Harrison, Staff Assistant to the Section 301 Committee, ATTN: Docket 301-121, Office of the United States Trade Representative, 1724 F Street, NW., Room 217, Washington, DC 20508. The public hearing is scheduled to be held in at the Office of the United States Trade Representative, 1724 F Street, NW., Rooms 1 and 2, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Kira Alvarez, Office of Services, Investment and Intellectual Property, Office of the United States Trade Representative (202) 296-6864; David Birdsey, Office of European Affairs, Office of the United States Trade Representative, (202) 395-9549; William Busis, Office of the General Counsel, Office of the United States Trade Representative, (202) 395-3150; Sybia Harrison, Staff Assistant to the Section 301 Committee, (202) 395-3419, for information regarding participation in the public hearing or the submission of written comments; John Valentine, International Agreements Staff, U.S. Customs Service, (202) 927-1219, for questions concerning product classification.

SUPPLEMENTARY INFORMATION: In a notice published on April 6, 2001 (66 FR 18346), USTR announced the initiation of a section 302 investigation regarding the Government of Ukraine's intellectual property protection laws and practices, including the Government of Ukraine's failure to use existing law enforcement authority to stop the ongoing unauthorized production of optical media products and to enact an optical media licensing regime that would preclude the piracy of such products. See 66 FR 18346 (April 6, 2001). The April 6, 2001 notice proposed to determine that these acts, policies and practices are actionable under section 301(b) and that appropriate action may include the suspension of duty-free treatment accorded under the GSP program to some or all products of Ukraine. The notice also stated that, as a further step, the Trade Representative might decide to impose increased duties or other import restrictions on Ukrainian goods. Finally, the April 6, 2001 notice stated that prior to imposing increased duties or import restrictions on Ukrainian goods, USTR would publish a notice requesting comments on a specific list of Ukrainian products.

⁴ 15 U.S.C. 78s(b)(3)(A)(i).

⁵ 17 CFR 240.19b-4(f).

⁶ 17 CFR 200.30-3(a)(12).