

that some factors related to implementation of DFQF can only be determined once certain results are obtained in the overall DDA negotiations. At this time, however, as part of consultative process, the TPSC is seeking comments from the public addressing the range of issues that may affect implementation in order to inform the planning process. The TPSC may seek further public comments on specific issues related to implementation of DFQF at a later time.

The U.S. International Trade Commission has provided to the TPSC the comments received from the public on agricultural and non-agricultural products as part of its investigation No. 332-440, Probable Economic Effects on Reduction or Elimination of U.S. Tariffs, August 9, 2002 (Confidential Report). Hence, these comments need not be resubmitted.

Written Submissions: Comments should state clearly the issue identified and should contain detailed information explaining why it is an issue and, to the extent possible, the means to address the issue. The provision of supplemental technical information is optional. This information should be provided in an attachment containing a spreadsheet or table in Microsoft Word, Word Perfect, Excel, Quatro Pro or MS Access.

Persons submitting comments may either send one copy by fax to Gloria Blue, Executive Secretary, Trade Policy Staff Committee, at (202) 395-6143 or transmit a copy electronically to FR0704@USTR.EOP.GOV, with "Duty-Free, Quota-Free" in the subject line. For documents sent by fax, USTR requests that the submitter provide a confirmation copy electronically. The public is strongly encouraged to submit documents electronically rather than by facsimile. USTR encourages the use of Adobe PDF format to submit attachments to an electronic mail. Interested persons who make submissions by electronic mail should not provide separate cover letters; information that might appear in a cover letter should be included in the submission itself. Similarly, to the extent possible, any attachments to the submission should be included in the same file as the submission itself, and not as separate files.

Comments should be submitted electronically no later than March 15, 2007.

Business confidential information will be subject to the requirements of 15 CFR 2003.6. Any business confidential material must be clearly marked as such and must be accompanied by a non-confidential summary thereof. A

justification as to why the information contained in the submission should be treated confidentially should also be contained in the submission. In addition, any submissions containing business confidential information must clearly be marked "Business Confidential" at the top and bottom of the cover page (or letter) and each succeeding page of the submission. The version that does not contain business 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 in the USTR Reading Room, Office of the United States Trade Representative. An appointment to review the file can be made by calling (202) 395-6186. The Reading Room is open to the public from 10 a.m. to 12 noon and from 1 p.m. to 4 p.m. Monday through Friday.

Dated: January 10, 2007.

Susan C. Schwab,

United States Trade Representative.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55081; File No. SR-CBOE-2007-02]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Rule Pertaining to Accommodation Liquidations (Cabinet Trades)

January 10, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 8, 2007, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange has designated this proposal as non-controversial under Section 19(b)(3)(A)(iii) of the Act³ and

Rule 19b-4(f)(6) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. 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 Exchange proposes to amend provisions in CBOE Rule 6.54 pertaining to accommodation liquidations (also referred to as "cabinet trades") to provide that a Market-Maker may initiate a cabinet trade without the need to place an order with an Order Book Official ("OBO") or a Floor Broker. The Exchange is also proposing to make clear in the rule that a Floor Broker or a Market-Maker can enter into an opening or closing cabinet transaction, but must yield priority to all orders in the cabinet book. The text of the proposed rule change is available at CBOE, the Commission's Public Reference Room, and <http://www.cboe.com>.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

An "accommodation" or "cabinet" trade refers to trades in listed options on the Exchange that are worthless or not actively traded. Cabinet trading is generally conducted in accordance with Exchange Rules; Exchange Rule 6.54, *Accommodation Liquidations (Cabinet Trades)*, sets forth specific procedures for engaging in cabinet trades. Rule 6.54 currently provides for cabinet transactions to occur via open outcry at a cabinet price of a \$1 per option contract whether or not the class trades on the Exchange's Hybrid Trading System.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

The first purpose of the rule change is to amend Rule 6.54 to authorize Market-Makers to initiate cabinet trades. Thus, in addition to the existing cabinet trading procedures which permit Market-Makers to (i) place cabinet orders with an OBO⁵ or a Floor Broker for representation and execution, and (ii) respond at a cabinet price in response to a request for quote from an OBO or a Floor Broker, a Market-Maker may now himself or herself initiate a cabinet trade in the trading crowd without need to first place the cabinet order with an OBO or Floor Broker. This will save the additional time and process involved in a Market-Maker needing to first place a cabinet order that he or she is initiating with an OBO or a Floor Broker, who would then in turn represent and execute the order on behalf of the Market-Maker. Thus, permitting Market-Makers to initiate cabinet orders and trades in accordance with the procedures described in Rule 6.54 will provide Market-Makers with additional flexibility and assist in the fair, orderly and efficient handling of cabinet transactions on the Exchange.⁶

The second purpose of the rule change is to amend Rule 6.54 to make clear that Floor Brokers or Market-Makers may enter into both opening and closing cabinet transactions, so long as they first yield priority to all orders in the cabinet book. Rule 6.54 currently provides that bids and offers for cabinet transactions may be placed with an OBO, provided that bids and offers for opening transactions may only be placed with an OBO to the extent that the cabinet book maintained by the OBO contains unexecuted contra closing orders with which the opening orders may be immediately matched. In addition, Rule 6.54 currently provides that Floor Brokers are permitted to represent and execute cabinet orders and also provides that bids and offers may be provided by Floor Brokers and Market-Makers in response to a request by an OBO or a Floor Broker, provided they yield priority to all orders in the OBO's cabinet book. However, the existing rule text is silent as to whether such orders represented by Floor Brokers and such bids and offers provided by Floor Brokers and Market-Makers may be for opening and closing

transactions. In order to resolve any ambiguity that may exist, the rule text is being amended to make clear that both opening and closing transactions by Floor Brokers and Market-Makers are permitted, so long as they first yield priority to all orders in the cabinet book.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁷ in general and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange neither solicited nor received comments on the proposal.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act⁹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰ Because the foregoing proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.¹¹

A proposed rule change filed under Rule 19b-4(f)(6) normally does not

become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to waive the operative delay if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the operative delay to permit the proposed rule change to become effective prior to the 30th day after filing.

The Commission has determined to waive the 30-day delay and allow the proposed rule change to become operative immediately.¹² The Commission believes that CBOE's proposal to permit Market-Makers to initiate cabinet trades without the need to go through an OBO or Floor Broker should result in more efficient handling of cabinet transactions. In addition, explicitly permitting Floor Brokers or Market-Makers to enter into both opening and closing transactions (provided that they yield to any existing orders in the cabinet book) will eliminate ambiguity from the rule text. For these reasons, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest.

At any time within 60 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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-CBOE-2007-02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission,

¹² For purposes only of waiving the operative delay of this proposal, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15U.S.C. 78c(f).

⁵ A PAR Official may also perform the functions of an OBO. See Interpretation and Policy .02 to Rule 6.54.

⁶ The Exchange notes that permitting a Market-Maker to initiate a cabinet trade is similar to and consistent with a recent amendment to Rule 6.54 that permitted Floor Brokers to initiate cabinet orders and trades. See Securities Exchange Act Release No. 53808 (May 16, 2006), 71 FR 29371 (May 22, 2006) (SR-CBOE-2006-33).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ Rule 19b-4(f)(6)(iii) requires the Exchange to give written notice to the Commission of its intent to file the proposed rule change at least five business days prior to filing. The Exchange complied with this requirement.

100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commissions Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2007-02 and should be submitted on or before February 8, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-615 Filed 1-17-07; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55082; File No. SR-NSCC-2006-18]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Create Service To Facilitate the Exchange of Account Related Information on an Automated Basis Between Members

January 10, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,²

notice is hereby given that on December 21, 2006, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") and on January 5, 2007, amended³ the proposed rule change 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 parties.

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

The proposed rule change seeks to modify NSCC's Rules to provide for a service to facilitate the exchange of account related information on an automated basis during the movement of correspondent broker accounts between members or during other material events that result in the bulk movement of accounts between members.

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 these statements.⁴

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Currently, when a correspondent firm chooses to move its book of business from one NSCC member to another, there is no standard method for transmitting the detailed customer data between the members. This information is currently exchanged through tapes, CDs, and other means and is dependent on the proprietary data format and values defined by the clearing firm from which the correspondent is moving. The process is time-consuming and prone to incorrect interpretation of data values. It is made more inefficient because clearing firms maintain separate code for each other clearing firm for which they convert data.

NSCC proposes to modify its rules to create the Account Information Transmission Service ("AIT") to facilitate the exchange of account related information during the movement of correspondent broker accounts between members or during other material events that result in the bulk movement of accounts between members. AIT will provide members with a standard mechanism to transmit customer data that will reduce the potential for lost and incorrectly interpreted data and will provide members with a secure facility for the exchange of data. The standard data model also will allow for the adoption of a single code base that is applicable for all conversion events. NSCC believes the single standard format could reduce costs, increase accuracy, and accelerate delivery time.

NSCC proposes to develop and introduce AIT in two phases. The first phase will be to create the mechanism by which members may transmit data between themselves. Subject to final approval, NSCC intends to implement the first phase on Monday, February 12, 2007. The second phase will involve the development of standardized data formats. NSCC will notify the Commission of phase two enhancements prior to their implementation.

Since AIT is only an information transmission service, NSCC is also proposing to amend its rules to clarify that NSCC will neither be responsible for the accuracy or completeness of any information transmitted through AIT nor for any omissions or delays that may occur in the transmission of AIT data. Finally, NSCC is proposing a \$200 monthly subscription fee for participation in AIT during phase one. NSCC will reevaluate AIT service fees as subsequent enhancements are completed.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁵ and the rules and regulations thereunder because by reducing costs, increasing accuracy, and accelerating delivery time of bulk movement of accounts between members, it will enable NSCC to facilitate the prompt and accurate clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

¹³ 17 CFR 200.30-3(a)(12)

¹⁴ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The amendment added the number of the new rule inadvertently omitted in the original filing.

⁴ The Commission has modified the text of the summaries prepared by NSCC.

⁵ 15 U.S.C. 78q-1.