

letter, sales literature, or other similar communication (rather than any communication) which is generally distributed or made available to customers or the public in order to make NYSE Rule 472(a) consistent with NYSE Rule 342, as amended. In addition, the Commission believes that the NYSE's proposal to amend NYSE Rule 472(b) to provide that research reports must be approved *in advance* by a supervisory analyst will clarify NYSE Rule 472(b) and ensure that broker-dealers review research reports in accordance with NYSE Rule 472(b). The Commission believes that amendment NYSE Rule 472(c) to provide that the names of persons who prepared and who reviewed and approved communications with the public must be readily ascertainable from the retained records, and that the retained records must be readily available to the NYSE, will clarify the NYSE's rule and facilitate examination of broker-dealers.

Finally, the Commission believes that it is reasonable for the NYSE to amend NYSE Rule 440 to indicate that members must preserve books and records as required under SEC Rule 17a-3 and comply with the recordkeeping format, medium and retention period specified in SEC Rule 17a-4²⁷ in order to clarify the recordkeeping requirements applicable to broker-dealers.

The Commission finds good cause for approving Amendment Nos. 2 and 3 prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Amendment No. 2 is designed to protect investors by requiring broker-dealers to continue to review all non-electronic incoming communications directed to registered representatives. Amendment No. 3 strengthens the NYSE's proposal by incorporating the Information Memo into the Exchange's proposal. As discussed more fully above, the Information Memo provides additional requirements and guidelines for broker-dealers' supervisory policies. Accordingly, the Commission believes that granting accelerated approval of Amendment Nos. 2 and 3 is appropriate and consistent with Sections 6(b)(5) and 19(b)(2) of the Act.²⁸

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to

90 days of such date if it finds such longer period to be appropriate and publishes its reason for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) by order approve such proposed rule change, or
- (b) institute proceedings to determine whether the proposed rule change should be disapproved.

VI. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment Nos. 2 and 3. 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. 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 Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to the file number SR-NYSE-96-26 and should be submitted by January 29, 1998.

VII. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁹ that the proposed rule change (SR-NYSE-96-26), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³⁰

Jonathan G. Katz,

Secretary.

[FR Doc. 98-422 Filed 1-7-98; 8:45 am]

BILLING CODE 8010-01-M

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Trade Policy Staff Committee (TPSC); Request for Comments Concerning Compliance With Telecommunications Trade Agreements

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of Request for Public Comments.

SUMMARY: Pursuant to Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, (19 U.S.C. § 3107), the Office of the United States Trade Representative (USTR) seeks comments on the operation and effectiveness of telecommunications trade agreements with Japan, Canada, Mexico, Korea, and Taiwan and on implementation of the World Trade Organization (WTO) Basic Telecommunications Agreement (the Fourth Protocol to the WTO General Agreement on Trade in Services). Section 1377 requires USTR to conduct an annual review of telecommunications trade agreements and to determine whether any country is not in compliance with the terms of such agreements or otherwise denies "mutually advantageous market opportunities" to U.S. telecommunications products and services. The USTR will conclude the review on March 31, 1997.

DATES: Submissions must be received on or before February 6, 1997 with respect to telecommunications trade agreements with Japan, Canada, Mexico, Korea, and Taiwan, and on or before February 16, 1997 with respect to the WTO Basic Telecommunications Agreement.

ADDRESSES: Comments must be submitted to the Executive Secretary, Trade Policy Staff Committee, Office of the United States Trade Representative, 600 17th Street, N.W., Washington, D.C. 20508.

FOR FURTHER INFORMATION CONTACT: Jonathan McHale (202-395-5656), Office of Industry or Joanna McIntosh (202-395-7203), Office of the General Counsel, Office of the U.S. Trade Representative, 600 17th Street, NW, Washington, D.C. 20508.

SUPPLEMENTARY INFORMATION: Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, (19 U.S.C. § 3107), requires USTR to review annually the operation and effectiveness of all trade agreements regarding telecommunications products and services that are in force with respect to the United States. The purpose of the review is to determine whether any act, policy or practice of a country that has entered into a telecommunications trade agreement is not in compliance with the terms of such agreement, or otherwise denies to U.S. firms, within the context of the terms of such agreements, mutually advantageous market opportunities.

Specifically, for the current review, USTR seeks information on whether:

²⁷ See Amendment No. 1, *supra* note 3.

²⁸ 15 U.S.C. §§ 78f(b)(5) and 78s(b)(2).

²⁹ 15 U.S.C. § 78s(b)(2).

³⁰ 17 CFR 200.30-3(a)(12).

(1) Japan, Canada, Mexico, Korea, and Taiwan have failed to comply with their commitments under bilateral agreements or the North American Free Trade Agreement (NAFTA);

(2) Any WTO member countries that have accepted the WTO Basic Telecommunications Agreement have failed to take steps to ensure compliance with commitments that will take effect when this agreement enters into force;

(3) Any of these countries otherwise have denied, within the context of the terms of these agreements, mutually advantageous market opportunities to U.S. firms; and

(4) Levels of trade conform with the levels that would be expected based on these agreements.

In addition, the USTR seeks relevant information on the underlying competitiveness of U.S. providers of telecommunications products and services.

Japan—Bilateral Procurement Agreement

The United States has two telecommunications procurement agreements with the Government of Japan. The first, the Nippon Telegraph and Telephone (NTT) agreement, is designed to ensure that the majority government-owned, dominant telecommunications provider in Japan employs open, non-discriminatory and transparent procedures in procuring telecommunications products. On September 30, 1997 this agreement was extended and improved. NTT agreed to improve its procurement procedures by providing greater transparency, additional procurement data, better access to technical information, and a stronger commitment to international standards.

The second procurement agreement is the 1994 U.S.-Japan Public Sector Procurement Agreement on Telecommunications Products and Services. Under this agreement, Japan introduced procedures addressing; enhanced participation by foreign suppliers in pre-solicitation development and specification-drafting for large-scale telecommunications procurements; transparent and non-discriminatory award criteria that include greatest overall value for procurement decisions; decreased sole sourcing; and the establishment of an effective bid protest mechanism. Based on provisions of the Public Sector Procurement agreement, Japan agreed in March 1997 to issue a new tender for a major telecommunications system being procured by the National Police Agency. This procurement, which has not yet been awarded, is being monitored

closely to ensure that it is transparent and non-discriminatory.

The USTR seeks information regarding any difficulties that U.S. telecommunications product and service providers are encountering selling in Japan under the terms of these two telecommunications procurement agreements. Specifically, we seek evidence of practices such as: favoring traditional suppliers despite competitive foreign alternatives; failing to provide adequate access to necessary technical information; using non-transparent criteria to evaluate proposals and bids and award procurements; and relying on proprietary standards where international standards exist.

Japan—Additional Telecommunications Trade Agreements

The United States has a number of additional telecommunications trade agreements with Japan, including commitments made under the Market Opening Sector Specific (MOSS) process from 1985 to 1988, and a series of agreements on: international value-added network services (IVANS) (1990–91); open government procurement of all satellites, except for government research and development (R&D) satellites (1990); network channel terminating equipment (NCTE) (1990); and cellular and third-party radio systems (1989).

The USTR seeks information regarding any difficulties that U.S. telecommunications product and service providers are encountering selling in Japan based on non-compliance with these agreements.

Canada and Mexico

Several chapters of the NAFTA include market liberalization commitments that benefit trade in the telecommunications sector: Chapter 11—investment; Chapter 12—services; and Chapter 13—telecommunication. Chapter 13 includes commitments relating to access to and use of public telecommunications networks, conditions for providing enhanced services, equipment approval processes and associated telecommunications standards issues, and general competitive safeguards. The NAFTA also requires tariff reductions for telecommunications equipment.

The USTR's March 31, 1996 review found Mexico to be in non-compliance regarding its obligation to accept test data for product safety of telecommunications products. On April 18, 1997, the U.S. and Mexico concluded an agreement to permit U.S. laboratories to establish relationships

with counterpart Mexican laboratories for the purpose of testing telecommunications products to Mexican product safety requirements. From January 1, 1998, broader conformity assessment obligations under the NAFTA will come into effect and U.S. laboratories and certification bodies will be eligible to apply for accreditation to test (and in some cases certify) telecommunications equipment to Mexican standards—for product safety, terminal attachment, and other mandatory and voluntary standards.

The USTR seeks information regarding any difficulties that U.S. telecommunications product and service providers are encountering selling in Canada or Mexico based on noncompliance with the NAFTA, and, in particular, any difficulties with Mexico relating to testing and certification of telecommunications products and accreditation of test labs and certification bodies.

Korea

The United States has agreements with Korea to address barriers to U.S. telecommunications product and services providers in the areas of protection of intellectual property rights (IPR), type approval of telecommunications equipment, transparent standard-setting processes and non-discriminatory access to the government-owned Korea Telecommunications's procurement of telecommunications products.

On August 11, 1997, the USTR revoked Korea's identification as a priority foreign country under Section 1374 of the Omnibus Trade and Competitiveness Act of 1998, which had been in place since July 1996. USTR concluded that Korea had taken adequate steps to address market access barriers, which included Korean Government interference with procurement by private telecommunications service providers, lack of liberalization of foreign investment in telecommunications service providers, discriminatory and non-transparent licensing and regulation of telecommunications service providers, ineffective competition policies for telecommunications service providers, high tariffs on telecommunications and information technology products, and discriminatory customs procedures for such products.

The USTR seeks information regarding any difficulties that U.S. telecommunications product and service providers are encountering selling in Korea based on

noncompliance with these commitments.

Taiwan

In July 1996, the American Institute in Taiwan, on behalf of the Office of the United States Trade Representative, concluded an agreement with the Taiwan authorities on the licensing and provision of wireless services through the establishment of a competitive, transparent and fair wireless market in Taiwan.

Specifically, the Directorate General of Telecommunication (DGT) and the Taipei Economic and Cultural Representative Office confirmed that: the telecommunication regulatory function and telecommunications service provider function have been entirely separated: DGT would initiate procedures to remove the profit cap and draft a new formula for tariff schedules; interconnection agreements between wireless operators and Chunghwa Telecommunications Co. (CUT) would be cost-based, transparent, unbundled and non-discriminatory and that the terms of such agreements publicly available; DGT would not permit cross-subsidization between CUT's fixed-line and wireless operations; DGT would relax the debt/equity ratio for wireless bidders and not restrict a bidder from obtaining all three regional licenses, subject to the policy that an island-wide licensee is not eligible for a regional license; and DGT would remove unauthorized spectrum users. DGT also agreed to review foreign ownership limitations.

The USTR seeks information regarding any difficulties the U.S. telecommunications service providers are encountering to provide wireless services in Taiwan based on noncompliance with these commitments.

WTO Basic Telecommunications Agreement

On February 15, 1997, seventy parties—69 territorial entities and the EU—committed to opening up their markets for basic telecommunications services by concluding the WTO Basic Telecommunications Agreement. So far, 55 WTO member countries which are parties to the agreement have accepted the agreement and the remaining fifteen have given their assurances that they intend to complete their acceptances of the agreement as soon as possible.

The agreement encompasses commitments in three main areas: market access, investment, and pro-competitive regulatory principles. For countries making full commitments, market access commitments open the

local, long-distance and international service markets through any means of network technology, either on a facilities basis or through resale of existing network capacity. Investment commitments ensure that companies can acquire, establish or hold a significant stake in telecommunications companies. The pro-competitive regulatory principles, incorporated in WTO Members' schedules, commit members to establish a regulatory body independent of any carrier; to guarantee that former monopolies will provide interconnection to their networks at non-discriminatory, cost-oriented prices; to maintain measures to prevent anti-competitive practices such as cross-subsidization; and to mandate transparency of government regulations and licensing. Some members have staged implementation of these commitments over several years. Summaries of each member's commitments are available on the WTO web site, at www.wto.org.

The Basic Telecom Agreement was to enter into force on January 1, 1998. However, since fifteen signatories to the agreement have not yet offered their final acceptances, WTO members will meet in January to decide on the date of entry into force of this agreement.

The USTR seeks information on whether any parties to this agreement have not made the necessary legislative or regulatory changes to satisfy the commitments that will come into effect in 1998 under the agreement, or are permitting practices in their markets inconsistent with these commitments.

Public Comment: Requirements for Submissions

Comments must be in English and provided in 15 copies to: Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, D.C. 20508. Comments, except for business confidential information, will be available for public inspection by appointment in the USTR Reading Room, Room 101, Monday through Friday, 10:00 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m. For an appointment, call Brenda Webb at 202-395-6186.

Business confidential information will be subject to the requirements of 15 CFR 2003.6. Any business confidential information must be clearly marked as such on the cover letter or page and each succeeding page, and must be accompanied by a non-confidential summary thereof. The nonconfidential

summary will be placed in the file that is open to public inspection.

Gordana Earp,

Acting Assistant United States Trade Representative for Industry.

[FR Doc. 98-206 Filed 1-7-98; 8:45 am]

BILLING CODE 3190-01-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD 97-024]

National Preparedness for Response Exercise Program (PREP)

AGENCY: Coast Guard, DOT.

ACTION: Request for comments on PREP triennial exercise schedule for 1998, 1999, and 2000.

SUMMARY: Coast Guard, the Environmental Protection Agency (EPA), the Research and Special Programs Administration (RSPA) and the Minerals Management Service (MMS), in concert with the states, the oil industry and concerned citizens, developed the Preparedness for Response Exercise Program (PREP). This notice announces the PREP triennial cycle, 1998-2000, requests comments from the public, and requests industry participants to volunteer for scheduled PREP area exercises.

DATES: Comments are due at Coast Guard Headquarters no later than March 1, 1998.

ADDRESSES: You may mail comments to: Ms. Karen Sahatjian, US Coast Guard, Office of Response, (G-MOR-2), 2100 2nd Street SW, Washington, DC 20593.

FOR FURTHER INFORMATION CONTACT: For general information regarding the PREP program and the schedule, contact Ms. Karen Sahatjian, Marine Safety and Environmental Protection Directorate, Office of Response, (G-MOR-2), (202) 267-2850.

SUPPLEMENTARY INFORMATION: The following information describes how to obtain copies of documents available to the public. The PREP Area exercise schedule and exercise design manual are available on the internet at <http://www.dot.gov/dotinfo/uscg/hq/g-m/gmhome.htm> (see oil response). To obtain a hard copy of the exercise design manual, contact Ms. Melanie Barber at the Research and Special Programs Administration, Office of Pipeline Safety, at (202)366-4560. The 1994 PREP Guidelines and Training Elements are available at no cost by writing or faxing the TASC Dept Warehouse, 3341 Q 75th Avenue, Landover, MD 20785, fax: 301-386-