

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 will also be available for inspection and copying at the principal office of the Phlx.

All submissions should refer to File No. SR-Phlx-2001-121 and should be submitted by March 4, 2002.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45390; File No. SR-Phlx-2001-108]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to an Increase of the Minimum Size of PACE Orders That Must Be Automatically Guaranteed by Equity Specialists

February 4, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 5, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") 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 by the Phlx. On January 31, 2002, the Phlx amended its proposal.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Phlx proposes to amend its rules to restore the minimum automatic execution size of PACE<sup>4</sup> orders for

equity specialists from 299 shares to 599 shares. The text of the proposed rule change is available at the Office of the Secretary, the Phlx, and the Commission.

#### 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 Phlx included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Phlx 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

The purpose of the proposed rule change is to restore the equity specialists' minimum automatic execution size for PACE orders to 599 shares. In a recent proposed rule change, the Exchange amended Phlx Rule 229 to reduce the minimum automatic execution size of PACE orders from 599 shares to 299 shares.<sup>5</sup> The Exchange never implemented that reduction.<sup>6</sup>

According to the Exchange, the June 2001 rule change addressed a concern commonly raised by liquidity providers in a post-decimal trading environment that the transition to trading in decimal increments, rather than in fractions, has resulted in a wider range of quoted prices (more ticks), as well as an increase in small-sized bids and offers made at a particular price. The Exchange also represented in the June 2001 rule change that such bids and offers, which can be for as little as 100 shares qualify, regardless of their size, to become the National Best Bid or Offer ("NBBO"), also known for PACE purposes as the "PACE Quote."

At this time, the Exchange proposes to restore the rule language providing for a minimum automatic execution size of

599 shares in order to preserve the current levels of automatic execution on the Exchange's equity floor. It is the Exchange's belief that the present market environment and focus on speed of execution require that automatic execution levels remain at least at 599 shares.

The Exchange believes that returning to a 599 share minimum automatic execution level, should result in more orders eligible for automatic execution. Because the 599 shares level is a minimum, specialists may set their automatic execution levels higher than 599 shares. Where the specialist has set an automatic execution level that is higher, such as 1,099 shares, orders greater than that automatic execution level are handled manually by the specialist (although they can be delivered electronically to the specialist by PACE). Obviously, orders less than 1,099 shares, in this example, would be eligible for automatic execution. Similarly, where the specialist has set an automatic execution level of the minimum 599 shares, orders for 599 shares or less are eligible for automatic execution and orders for more than 599 shares are handled manually by the specialist. In short, the proposal re-establishes 500 shares as the minimum automatic execution level on PACE.

###### 2. Statutory Basis

The Exchange believes that this proposal is consistent with section 6(b) of the Act in general,<sup>7</sup> and furthers the objectives of section 6(b)(5) in particular,<sup>8</sup> in that it should promote just and equitable principles of trade, by fostering competitive and orderly markets.

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

The Phlx does not believe that the proposed rule change will impose any inappropriate 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 were solicited or received.

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

Because the Phlx has designated the foregoing proposed rule change as a rule effecting a change in an existing order-entry or trading system of the Exchange that (1) does not significantly affect the

<sup>15</sup> 17 CFR 200.30-2(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Letter from Edith Hallahan, Deputy General Counsel, Phlx to Lisa N. Jones, Attorney, Division of Market Regulation, Commission dated January 31, 2002 ("Amendment No. 1"). Amendment No. 1 provides a corrected version of the Exchange's rule text.

<sup>4</sup> The Philadelphia Stock Exchange's Automatic Communication and Execution System (PACE)

performs order routing, delivery, execution and reporting system for its equity trading floor. See Phlx Rule 229.

<sup>5</sup> See Securities Exchange Act Release No. 44395 (June 6, 2001), 66 FR 31728 (June 12, 2001) (SR-Phlx-2001-46) ("June 2001 rule change").

<sup>6</sup> The Exchange states that following effectiveness of the filing, the Exchange determined not to reduce the minimum auto execution size for various reasons, including changed market conditions and differing views on whether the reduction was appropriate.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not have the effect of limiting access to or availability of the system, it has become effective upon filing pursuant to section 19(b)(3)(A) of the Act,<sup>9</sup> and Rule 19b-4(f)(5) thereunder.<sup>10</sup> 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. 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 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 will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2001-108 and should be submitted by March 4, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-3234 Filed 2-8-02; 8:45 am]

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## DEPARTMENT OF STATE

### [Public Notice 3910]

#### Culturally Significant Objects Imported for Exhibition Determinations: "Edouard Vuillard"

**AGENCY:** United States Department of State.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236 of October 19, 1999, as amended, I hereby determine that the objects to be included in the exhibition "Edouard Vuillard," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners. I also determine that the exhibition or display of the exhibit objects at the National Gallery of Art, Washington, DC, from on or about January 19, 2003, to on or about April 20, 2003, and at possible additional venues yet to be determined, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Julianne Simpson, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State, (telephone: 202/619-6529). The address is U.S. Department of State, SA-44, 301 4th Street, SW., Room 700, Washington, DC 20547-0001.

Dated: February 5, 2002.

**Patricia S. Harrison,**

*Assistant Secretary for Educational and Cultural Affairs, United States Department of State.*

[FR Doc. 02-3267 Filed 2-8-02; 8:45 am]

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

#### Determinations Under the African Growth and Opportunity Act

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

**SUMMARY:** The United States Trade Representative (USTR) has determined

that Tanzania has adopted an effective visa system and related procedures to prevent unlawful transshipment and the use of counterfeit documents in connection with shipments of textile and apparel articles and has implemented and follows, or is making substantial progress toward implementing and following, the customs procedures required by the African Growth and Opportunity Act (AGOA). Therefore, imports of eligible products from Tanzania qualify for the textile and apparel benefits provided under the AGOA.

**EFFECTIVE DATE:** February 4, 2002.

**FOR FURTHER INFORMATION CONTACT:** Chris Moore, Director for African Affairs, Office of the United States Trade Representative, (202) 395-9514.

**SUPPLEMENTARY INFORMATION:** The AGOA (Title I of the Trade and Development Act of 2000, Pub. L. 106-200) provides preferential tariff treatment for imports of certain textile and apparel products of beneficiary sub-Saharan African countries. The textile and apparel trade benefits under the AGOA are available to imports of eligible products from countries that the President designates as "beneficiary sub-Saharan African countries," provided that these countries (1) have adopted an effective visa system and related procedures to prevent unlawful transshipment and the use of counterfeit documents, and (2) have implemented and follow, or are making substantial progress toward implementing and following, certain customs procedures that assist the Customs Service in verifying the origin of the products.

In Proclamation 7350 (Oct. 2, 2000), the President designated Tanzania as a "beneficiary sub-Saharan African country." Proclamation 7350 delegated to the United States Trade Representative the authority to determine whether designated countries have met the two requirements described above. The President directed the USTR to announce any such determinations in the **Federal Register** and to implement them through modifications of the Harmonized Tariff Schedule of the United States (HTS). Based on actions that Tanzania has taken, I have determined that Tanzania has satisfied these two requirements.

Accordingly, pursuant to the authority vested in the USTR by Proclamation 7350, U.S. note 7(a) to subchapter II of chapter 98 of the HTS and U.S. note 1 to subchapter XIX of chapter 98 of the HTS are each modified by inserting "Tanzania" in alphabetical sequence in the list of countries. The foregoing modifications to the HTS are

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(5).

<sup>11</sup> 17 CFR 200.30-2(a)(12).