

## 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 PCX 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 PCX 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

Currently, under the exchange's listing fee schedule, common stock that is dually listed on both the PCX and either the New York Stock Exchange ("NYSE") or the American Stock Exchange ("Amex") is subject to an original listing fee of \$10,000.00. Common stock not dually listed on both the PCX and either the NYSE or the Amex is subject to an original listing fee of \$20,000.00. The Exchange recognizes that Nasdaq is a primary listing association and that Nasdaq bears the primary obligation to ensure that its issuers meet the appropriate listing standards. Therefore, the PCX will be conducting listing maintenance reviews for Nasdaq issues on an annual basis along with other dually listed issues (i.e., those listed on the NYSE and Amex) and not on a quarterly basis. The Exchange believes that the proposal will encourage issuers listed on Nasdaq to list on the PCX.

#### Proposed Fee Change

To reflect the cost of dual listings and annual maintenance listing reviews, the PCX is proposing to change the following fees. Currently, the listing fee for an original listing of any Nasdaq common stock issue (Nasdaq National Market ("NNM") and Nasdaq SmallCap Market ("SCM")) is \$20,000.00. Under the proposal, the fee would be reduced to \$10,000.00 for NNM issues. Currently, the annual maintenance listing fee for any one Nasdaq listed issue is \$2,000.00. Under the proposal, the fee would be reduced to \$1,000.00 for any one NNM issue.<sup>4</sup>

<sup>4</sup> The original listing fee and annual maintenance fee for SCM securities would remain unchanged. The listing maintenance review for SCM securities will also remain unchanged, and continue to be conducted quarterly. Telephone call between Robert P. Pacileo, Attorney, PCX and Kelly

#### 2. Basis

The Exchange believes that this proposal is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and Section 6(b)(4),<sup>6</sup> in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members, issuers and other persons using its facilities.

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

The Exchange 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

Written comments on the proposed rule change were neither solicited nor received.

## III. 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 reasons for so finding or (ii) as to which the PCX 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.

## 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. 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

McCormick, Attorney, Division of Market Regulation, SEC, July 6, 1998.

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4).

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 PCX. All submissions should refer to File No. SR-PCX-98-32 and should be submitted by August 19, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40247; File No. SR-SCCP-98-03]

### Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Reducing Certain Trade Recording Fees

July 22, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on June 30, 1998, the Stock Clearing Corporation of Philadelphia ("SCCP") 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 SCCP. 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 purpose of the proposed rule change is to extend on a pilot basis for three months through September 30, 1998, a reduction in SCCP's fee schedule for trade recording fees for certain specialists.

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

In its filing with the Commission, SCCP included statements concerning the purpose of and statutory basis for the proposed rule change. The text of these statements may be examined at

<sup>7</sup> 17 CFR 200.30-3(a)(12).

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

the places specified in Item IV below. SCCP has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

SCCP proposes to extend, for a three month period, its pilot program reducing SCCP's trade recording fees for certain specialists. On February 9, 1998, the Commission temporarily approved the trade recording fee reduction effective for trades settling January 2, 1998, through April 30, 1998.<sup>3</sup> Subsequently, on May 4, 1998, the Commission approved an extension of the pilot program through June 30, 1998.<sup>4</sup>

Prior to the approval and implementation of the pilot program, SCCP charged a trade recording fee of \$.47 per side for regular trades. The pilot program bifurcates the category of trade recording fees for regular trades into trades not matching with PACE orders and trades matching with PACE orders.<sup>5</sup> The trade recording fees for trades not matching with PACE orders remains \$.47 per side. The pilot program reduces SCCP's trade recording fees for trades matching with PACE orders. For these trades, the trade recording fee is reduced to: (i) \$.27 per side for the first 2,500 trades per month and (ii) \$.10 per side for trades in excess of 2,500 per month.

SCCP has been working closely with the Philadelphia Stock Exchange, Inc. to reevaluate its fees. In connection with this effort, SCCP is proposing to extend the pilot program reducing these trade recording fees on a temporary basis through September 30, 1998.

SCCP believes that the proposed rule change is consistent with Section 17A(b)(3)(D) of the Act,<sup>6</sup> which requires that the rules of a registered clearing agency provide for equitable allocation of reasonable dues, fees, and other charges for services which it provides to its participants.

<sup>2</sup> The Commission has modified parts of these statements.

<sup>3</sup> Securities Exchange Act Release No. 39630 (February 9, 1998), 63 FR 7848.

<sup>4</sup> Securities Exchange Act Release No. 39948 (May 4, 1998), 63 FR 25538.

<sup>5</sup> PACE, an acronym for the Philadelphia Stock Exchange Automated Communication and Execution System, is a real time order routing and execution system.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(D).

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

SCCP 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 have been solicited or received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by SCCP, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and Rule 19b-4(e)(2) thereunder.<sup>8</sup> 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. 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at SCCP. All submissions should refer to the File No. SR-SCCP-98-03 and should be submitted by August 19, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(e)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

**Margaret H. McFarland,**

*Deputy Secretary.*

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**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

**Free Trade Area of the Americas**

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

**ACTION:** Notice and request for public comment on the operation of the Committee of Government Representatives on the Participation of Civil Society established in connection with the Free Trade Area of the Americas (FTAA) negotiations.

**SUMMARY:** The Committee of Government Representatives on the Participation of Civil Society ("Government Committee on Civil Society" or "Committee") has been established by the 34 Western Hemisphere<sup>1</sup> countries participating in the FTAA negotiations. The Trade Policy Staff Committee (TPSC) requests public comments on how the Committee should carry out its mandate to receive, analyze, and report on the full range of comments received from civil society from throughout the hemisphere on trade matters related to the FTAA process. Civil Society refers to interested non-governmental parties, including from environmental, business, consumer, academic and labor sectors. The TPSC also invites public comments on the U.S. positions described below. **FOR FURTHER INFORMATION:** For procedural questions concerning public comments contact Gloria Blue, Executive Secretary, Trade Policy Staff Committee, Office of the United States Trade Representative, (202) 395-3475. All questions concerning the Government Committee on Civil Society should be directed to Bryan Samuel, U.S. lead to the Committee and Deputy Assistant Secretary of State, (202) 647-2532.

**SUPPLEMENTARY INFORMATION:** On April 18-19, 1998, at the second Summit of the Americas in Santiago, President Clinton and the 33 other democratically-elected leaders in the Western Hemisphere initiated the FTAA

<sup>1</sup> Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, United States, and Venezuela.