

same terms and conditions as any other investor (and only at the NAV), and Creation Unit transactions occur through the Fund Distributor, the Commission believes that the potential for abuse is minimized. Furthermore, the Exchange's surveillance procedures should help the Exchange to monitor specialist trading activity and determine whether a specialist's transaction was effected to maintain fair and orderly markets, or for some improper or speculative purpose. Finally, the Commission notes that its approval of this aspect of the Exchange's proposal does not address any other requirements or obligations under the federal securities laws that may be applicable.²⁸

The Commission finds good cause for approving proposed Amendment No. 1 prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Amendment No. 1 provides additional information responsive to Commission staff concerns and proposes several revisions that strengthen the Exchange's proposed rule change. First, Amendment No. 1 provides confidential surveillance procedures that describe how the Exchange will monitor trading in WEBS. The Commission believes that the procedures are well designed and will help the Exchange detect trading abuses and safeguard the integrity of WEBS trading on the Exchange. Amendment No. 1 also proposes Commentaries .02 and .03 to Exchange Rule 5.33(a), which clarify that: (i) Exchange specialists may redeem and create WEBS only on the same terms and conditions as any other investor, and only at the NAV; and (ii) Exchange specialists registered in an Investment Company security may purchase and redeem the listed Investment Company security, or securities that can be subdivided or converted into the listed Investment Company security, from the issuer as appropriate to facilitate the maintenance of a fair and orderly market in the subject security. These provisions establish appropriate limitations on the trading activities of Exchange specialists, but also provide the flexibility necessary to maintain fair and orderly markets.

Amendment No. 1 also clarifies several aspects of the proposal, including: (i) the Exchange's intent to

trade WEBS pursuant to unlisted trading privileges; (ii) treatment of the Malaysian Index Series WEBS; (iii) review of specialist trading activity in WEBS; and (iv) the dissemination of NAVs. Lastly, Amendment No. 1 confirms that Exchange members may rely on certain exemptive and no-action relief regarding WEBS, which the Commission previously provided to the Amex.²⁹

Based on the above, the Commission finds that good cause exists, consistent with Sections 6(b)(5) and 19(b)(2) of the Act,³⁰ to accelerate approval of Amendment No. 1 to the proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 1, including whether Amendments No. 1 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 submissions, 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 persons, 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 Exchange. All submissions should refer to File No. SR-PCX-98-29 and should be submitted by November 5, 1999.

V. Conclusion

It is Therefore ordered, pursuant to Section 19(b)(2) of the Act,³¹ that the proposed rule change (SR-PCX-98-29), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-26897 Filed 10-14-99; 8:45 am]
BILLING CODE 8010-01-M

²⁸ See *supra* note 5 for a more detailed description of Amendment No. 1.

³⁰ 15 U.S.C. 78f(b)(5) and 78s(b)(2).

³¹ 15 U.S.C. 78s(b)(2).

³² 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41991; File No. SR-Phlx-99-27]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Numbers 1 and 3 Thereto by the Philadelphia Stock Exchange, Inc. Relating to the Exchange's Allocation, Evaluation and Securities Committee Provisions

October 7, 1999.

Pursuant to Section 19(b)(1) of Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 1, 1999, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change.³ On October 1, 1999, the Exchange submitted Amendment No. 1 to the proposed rule change⁴ and on October 5, 1999, the Exchange submitted Amendment No. 2.⁵ The proposed rule change, as amended, is described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Phlx proposes to amend Exchange Rule 511(b), Specialist Performance Evaluation, to reflect the view of the Allocation, Evaluation and Securities Committee ("Committee") that voluntary delisting of options book by option specialists, done in the best interest of the Exchange and to encourage a better use of Exchange and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange submitted its proposal on September 9, 1999. However, because of the substantive nature of Amendment No. 1, the Commission deems the proposal effective on October 1, 1999, the date of filing of Amendment No. 1.

⁴ In Amendment No. 1, the Exchange amended its proposed rule language to clarify that only voluntary delisting of options books done in the best interest of the Exchange will not be viewed negatively by the Committee. See Letter from Richard S. Rudolph, Counsel, Phlx, to Terry Evans, Attorney, Division of Market Regulation ("Division"), Commission, dated September 30, 1999 ("Amendment No. 1").

⁵ In Amendment No. 2, the Exchange made a minor technical change to its proposed rule language to conform such language to the rule as currently drafted. See Letter from Richard S. Rudolph, Counsel, Phlx, to Terry Evans, Attorney, Division, Commission, dated October 4, 1999 ("Amendment No. 2").

²⁸ The Commission notes that with respect to WEBS, broker-dealers and other persons are cautioned in the prospectus and/or the Fund's Statement of Additional Information that some activities on their part may, depending on the circumstances, result in their being deemed statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act of 1933.

specialist resources, will not be considered negatively in the Committee's decision making process.

Specifically, the proposed amended rule will include a clause reflecting that, solely with respect to options books allocations or reallocations, past or contemplated voluntary delisting of options books by options specialists, done in the best interest of the Exchange, will not be viewed negatively by the Committee in making allocation and reallocation decisions. The text of the proposed rule change follows. New text is italicized.

Specialist Performance Evaluation

Rule 511. (a) No change.

(b) Allocations. The Committee shall allocate new equity books and options classes, approved transfers or reallocate existing equity books and options classes to applicants based on the results of the evaluations conducted pursuant to Rule 515 and such other factors as the Committee deems appropriate. Among the factors that the Committee may consider in making such decisions are: the number and type of securities in which applicants are currently registered; the personnel, capital and other resources of the applicant; recent allocation decisions within the past eighteen months; the desirability of encouraging the entry of new specialists into the Exchange's market; order flow commitments; any prior transfers of specialist privileges by the applicant and the reasons therefore and such policies as the Board instructs the Committee to follow in allocating or reallocating securities. *Solely with respect to options book allocations or reallocations, past or contemplated voluntary delisting of options books by options specialists, done in the best interest of the Exchange, will not be viewed negatively by the Committee in making allocation and reallocation decisions.* Solely with respect to equity book allocations or reallocations, the Committee may consider the number of primary issues in which the applicant is currently registered; the number of securities the applicant currently has registered on PACE and the level of commitments he has made; and securities the applicant recently has applied to remove from PACE or in which the applicant has resigned as specialist. Recognition is given that evaluation results may not be available for new specialist units or recently reorganized Registrants. The Committee may establish separate or additional criteria for evaluating new or recently reorganized Registrants, particularly where evaluation results are unavailable or are only available for a limited period

of time. All allocations shall initially be made on a temporary basis for a period of up to 90 days within which time the Committee may commence a special review pursuant to Rule 515(b). The Committee is empowered to grant equity books or option classes for a limited period of time or subject to such other terms and conditions as it deems appropriate.

* * * * *

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

In its filing 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

The purpose of the proposed rule change is to allow options specialists to voluntarily delist certain inactive options books in the best interest of the Exchange, due to recent concerns raised regarding computer capacity and physical space on the Exchange's Options Trading Floor, without being penalized by the Committee in its consideration of future applications for options specialist privileges.

To maximize trading floor space and computer capacity, it may become important for options specialist units to relinquish less active options books. However, there may be a perception among options specialists that delisting options books might be viewed in a negative light by the Committee in making future allocation and reallocation decisions.⁶ Consistent with

⁶ Currently, Exchange Rule 511(b) enumerates specific factors the Committee may consider in making option allocation, transfer and reallocation decisions, including the number and type of securities in which applicants are currently registered; the personnel, capital and other resources of the applicant; recent allocation decisions within the past eighteen months; the desirability of encouraging the entry of new specialists into the Exchange's market; order flow commitments; any prior transfers of specialist privileges by the applicant and the reasons therefor and such policies as the Board instructs the Committee to follow in allocating and reallocating securities.

Rule 511(b), the Phlx Board of Governors has instructed the Committee not to view voluntary delisting of options books by options specialist units in a negative light.

In response, the Phlx is proposing to codify the Board's and the Committee's view that such voluntary delisting, done in the best interest of the Exchange and to encourage a better use of Exchange and specialist resources, will not be considered negatively in the Committee's decision making process.

Furthermore, the Committee has determined that, in the best interest of the Exchange, options books that are voluntarily delisted by options specialist units will not be automatically resolicited for assignment to other options specialists on the Exchange Options Floor.⁷ However, options specialists wishing to be assigned as the specialist in an options book that has been voluntarily delisted by another options specialist unit will not be precluded from submitting an Application for Approval as an Options Specialist Unit in such an options book to the Committee. Upon receipt of such an application, the Committee will consider, and vote upon, the application in accordance with the applicable Exchange rules.⁸

2. Statutory Basis

For these reasons, the proposed rule change is consistent with Section 6 of the Act⁹ in general, and in particular, with Section 6(b)(5),¹⁰ in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest, by allowing Exchange options specialist to voluntarily delist options books to ensure that adequate computer capacity and physical floor space exist on the Exchange Options Floor to serve the marketplace.

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.

⁷ The Exchange believes that under Article X, Section 10-7, the Committee has the authority to determine that options books that are voluntarily delisted by options specialist units will not be automatically resolicited for assignment to other options specialist. Telephone conversation between Richard S. Rudolph, Counsel, Phlx, and Terry Evans, Attorney, Division, Commission, on October 7, 1999.

⁸ See Exchange Rules 500-599.

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(5).

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 written comments.

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

The foregoing proposed rule change, as amended: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date on which it was filed. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date. Therefore, it has become effective pursuant to section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

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, as amended, 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 in Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-Phlx-99-27 and should be submitted by November 5, 1999.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-26895 Filed 10-14-99; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice 3136]

Culturally Significant Objects Imported for Exhibition

Determinations: "The Arts of Korea: Ancient to Modern"

DEPARTMENT: 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), the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681 et seq.), and Delegation of Authority No. 234 of October 1, 1999, I hereby determine that the objects to be included in the exhibit, "The Arts of Korea: Ancient to Modern" imported from abroad for the temporary exhibition without profit within the United States, are of cultural significance. These objects are imported pursuant to loan agreements with the foreign lenders. I also determine that the exhibition or display of the exhibit objects at the Los Angeles County Museum of Art, Los Angeles, California, from on or about October 20, 1999 to on or about October 11, 2001, 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 exhibit objects, contact Paul W. Manning, Attorney-Adviser, Office of the Legal Adviser, 202/619-5997, and the address is Room 700, United States Department of State, 301 4th Street, SW, Washington, DC 20547-0001.

Dated: October 8, 1999.

Evelyn S. Lieberman,

Under Secretary for Public Diplomacy and Public Affairs, United States Department of State.

[FR Doc. 99-26980 Filed 10-14-99; 8:45 am]

BILLING CODE 4710-08-P

STATE DEPARTMENT

[Public Notice #3132]

Overseas Security Advisory Council (OSAC) Meeting Notice; Closed Meeting

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on November 2, 3, and 4, at the Department of State in Washington, DC. Pursuant to section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c)(1) and (4), it has been determined the meeting will be closed to the public. Matters relative to classified national security information as well as privileged commercial information will be discussed. The agenda calls for the discussion of classified and corporate proprietary/security information as well as private sector physical and procedural security policies and protective programs at sensitive U.S. Government and private sector locations overseas.

For more information contact Marsha Thurman, Overseas Security Advisory Council, Department of State, Washington, DC 20522-1003, phone: 202-663-0869.

Dated: September 23, 1999.

Wayne Rychak,

Acting Director of the Diplomatic Security Service, Department of State.

[FR Doc. 99-26979 Filed 10-14-99; 8:45 am]

BILLING CODE 4710-24-P

DEPARTMENT OF STATE

[Delegation of Authority No. 234]

Delegation of Authority

By virtue of the authority vested in me as Secretary of State, including section 1 of the Basic Authorities Act (22 U.S.C. 2651a); the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681 et seq.); Reorganization Plan No. 2 of 1977 dated October 11, 1977; and executive orders specified below, I hereby delegate the following functions that are or were vested in the Director of the United States Information Agency or in that Agency and are now or will be vested in me:

Section 1. Delegation of Functions

(a) To the Under Secretary of State for Public Diplomacy and Public Affairs:

(1) International Educational and Cultural Exchange

The functions related to educational and cultural exchange, including functions provided for in: the Mutual

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 200.30-3(a)(12).