the applicability of NASD Rule 4330(f) when a Nasdaq issuer combines with a non-Nasdaq entity. To clarify NASD Rule 4330(f), the proposal amends NASD Rule 4330(f) to indicate that issuers must apply for initial inclusion following a Reverse Merger. NASD Rule 4330(f), as amended, provides a non-exclusive list of factors Nasdaq will consider to determine whether a Reverse Merger has occurred.

The Commission believes that the proposal should clarify NASD Rule 4330(f) and provide guidance to issuers concerning the circumstances under which an issuer that combines with a non-Nasdaq entity must apply for initial inclusion. At the same time, the Commission believes that NASD Rule 4330(f), as amended, will continue to protect investors and the public interest by helping to prevent ''backdoor listings'' on Nasdaq.

The Commission finds that the conforming changes to IM–4300 will make IM–4300 consistent with NASD rule 4330(f), as amended, and provide guidance concerning the circumstances under which the conversion of a Future Priced Security could result in a Reverse Merger.

IV. Conclusion

For the foregoing reasons, the Commission finds that the proposal is consistent with the requirements of the Act and rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,[9] that the proposed rule change (SR–NASD–01–01) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[10]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–6663 Filed 3–16–01; 8:45 am]

BILLING CODE 8010–01–M

[9] 15 U.S.C. 78s(b)(2).

[10] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–44061; File No. SR–Phlx–01–16]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Providing Compensation to Hearing Panelist

March 9, 2001.

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 February 6, 2001, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the self-regulatory organization. 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 is proposing to amend its Disciplinary Rules, specifically Rule 960.5, to include a provision that allows hearing panelists to be compensated in connection with certain extraordinary matters. The text of proposed rule change is available at the Exchange and at the Commission.

II. Self-Regulatory Organization's Statement Regarding the Purpose of, and the 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

The purpose of the proposed rule change is to amend the Exchange's current Disciplinary Rules to include a provision that would allow hearing panelists to be compensated in certain instances. Pursuant to Exchange rules, a hearing on a Statement of Charges is held before a Hearing Panel composed of three persons that are appointed by the Chairman of the Business Conduct Committee (''BCC'').[3] At times, hearings and related proceedings[4] are lengthy and complex, and thereby require a protracted time commitment on behalf of the hearing panelists. The Exchange believes that in those extraordinary cases, hearing panelists should be compensated for their time devoted to hearing-related matters. By providing compensation pursuant to specific guidelines, the Exchange should continue to attract qualified and experienced hearing panelists.

The proposed amendment specifically provides that hearing panelists appointed by the Chairman of the Exchange's BCC may be compensated in extraordinary cases, as determined by the Chairman of the BCC, in consultation with the Chairman of the Board of Governors (''Board''). Factors to be considered when determining whether a case is extraordinary include, but are not limited to, the anticipated length of time of the hearing; the complexity and serious nature of the matter; and magnitude of the potential penalty.

In general, compensation will be paid only for attending (in person or by telephone) formal hearings, formal pre-hearing conferences or hearing panel deliberations, and not for conversations with staff, or telephone calls for the purpose of scheduling or other administrative matters. No compensation will be paid unless the Chairman of the BBC makes an affirmative determination that certain tasks warrant compensation. The Chairman of the BCC may also establish any caps or limits on compensation to hearing panelists for a given matter.[5] Compensation for attending a formal hearing or other meeting, or participating in a telephone conference regarding the same, will be paid at the same rate and on the same terms as Board members' compensation for service on a Standing Committee with the understanding that any multiple meetings and/or hearings on the same day would be considered a single meeting for the purposes of compensation.[6]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with

[1] 15 U.S.C. 78s(b)(1)

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 960.5(a)(1).

[4] Related proceedings may include pre-hearing conferences, motions requesting the production of documentary evidence and witnesses, and conferences relating to the proceedings.

[5] The Chairman of the BBC must notify the Chairman of the Finance Committee of a determination to pay compensation and an estimate therefore. The Chairman of the Finance Committee shall report to the Finance Committee (without identifying the matter in question) and ensure that a provision is made for such compensation in the Exchange's budget, unless the expenditure is already provided for in existing budget categories in the relevant annual budget.

[6] For example, if a Board member, who is also a hearing panelist, attends a Board meeting and a pre-hearing conference on the same day, that member would be compensated at the rate that is equivalent to attending one meeting.

Section 6 of the Act,[7] in general, and with Sections 6(b)(5),[8] 6(b)(6)[9] and 6(b)(7)[10] in particular, in that: (1) It promotes just and equitable principles of trade and protects investors and the public interest; (2) it is designed to ensure that Exchange members and persons associated with members are appropriately disciplined for violations of the provisions of the Act, the rules and regulations thereunder, or the rules of the Exchange; and (3) it provides a fair procedure for the disciplining of Exchange members and persons associated with members by helping to ensure that the Exchange continues to attract experienced panelists for all hearings, including complex and protracted matters.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate or unnecessary burden on competition.

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

Written comments were neither solicited nor received.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing including whether the proposal is consistent with the Act. Persons making written submission 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 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 Room. Copies of such filings will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR–Phlx–01–16 and should be submitted by April 9, 2001.

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(5).

[9] 15 U.S.C. 78f(b)(6).

[10] 15 U.S.C. 78f(b)(7).

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Exchange requests accelerated approval pursuant to Rule 19(b)(2)(B)[11] in order to expedite the adoption of amended Phlx Rule 960.5(a)(4). After careful review, the Commission finds that the proposed rule change is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange,[12] and that accelerated approval is appropriate.

Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(7) of the Act.[13] This Section requires, among other things, that the rules of an exchange provide a fair procedure for disciplining members and persons associated with members. The Commission believes that if hearing panelists are compensated for the time they devote to hearing-related matters that are extraordinary, as proposed by the Exchange, experienced panelists may be more incline to preside over hearings that involve complex and protracted matters, thus helping to ensure that members receive hearings before panelists qualified to hear them.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register** in order allow the Exchange to more quickly implement its policy to compensate hearing panelists when extraordinary circumstances warrant payment.

It Is Therefore Ordered, pursuant to Section 19(b)(2)[14] of the Act that the proposed rule change (SR–Phlx–01–16) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–6667 Filed 3–16–01; 8:45 am]

BILLING CODE 8010–01–M

[11] 15 U.S.C. 19s(b)(2)(B).

[12] In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation.

[13] 15 U.S.C. 78f(b)(7).

[14] 15 U.S.C. 78s(b)(2).

[15] 17 CFR 200.30–3(a)(12).

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. WTO/D–162]

WTO Dispute Settlement Proceeding Regarding Antidumping Act of 1916

AGENCY: Office of the United States Trade Representative.

ACTION: Notice; request for comments.

SUMMARY: The Office of the United States Trade Representative (''USTR'') is providing notice of the date by which the United States is to respond to the recommendations and rulings of the Dispute Settlement Body (''DSB'') of the World Trade Organization (''WTO'') in United States—Antidumping Act of 1916. The Antidumping Act of 1916 was the subject of separate disputes brought by the European Communities (the ''EC''), and Japan. In both cases, Japan and the EC alleged that this statute is inconsistent with obligations of the United States under the General Agreement on Tariffs and Trade 1994 (''GATT 1994'') and the Agreement on Implementation of Article VI of GATT 1994 (''the Antidumping Agreement''). In both cases, the panels determined that the 1916 Act is inconsistent with Article VI of GATT and certain provisions of the Antidumping Agreement; the WTO Appellate Body affirmed the panel's findings in both cases. In October 2000, the United States confirmed to the DSB its commitment to implement the recommendations and rulings of the DSB in a manner which respects U.S. WTO obligations. As a result of arbitral proceedings the United States has a period of ten months from the date of adoption of the panel report—i.e., until July 26, 2001—to implement the recommendations and rulings of the DSB. The USTR invites written comments from the public concerning the manner in which it should respond.

DATES: Comments should be submitted by April 16, 2001, to be assured of timely consideration by the USTR in developing a response to the DSB recommendations and rulings.

ADDRESSES: Comments are to be submitted to Sandy McKinzy, Litigation Assistant, Office of Monitoring and Enforcement, Room 122, Attn: U.S.—Antidumping Act of 1916 dispute, Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC, 20508.

FOR FURTHER INFORMATION CONTACT: Rhonda K. Schnare, Associate General Counsel, (202) 395–3582.

SUPPLEMENTARY INFORMATION: On November 11, 1999, the EC submitted a