

10 a.m. to 2 p.m. The meeting will include a review and discussion of current issues which influence U.S. trade policy. Pursuant to Section 2155(f)(2) of Title 19 of the United States Code, I have determined that the meeting will be concerned with matters the disclosure of which would seriously compromise the development by the United States Government of trade policy, priorities, negotiating objectives or bargaining positions with respect to the operation of any trade agreement and other matters arising in connection with the development, implementation and administration of the trade policy of the United States.

DATES: The meeting is scheduled for September 14, 1995, unless otherwise notified.

ADDRESSES: The meeting will be held at the Indian Treaty Room at the Old Executive Office Building, Washington, D.C., unless otherwise notified.

FOR FURTHER INFORMATION CONTACT: Michaelle Burstin, Director of Public Liaison, Office of the United States Trade Representative, (202) 395-6120. **Michael Kantor,**

United States Trade Representative.

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Country-by-Country Reallocations of the Tariff-Rate Quota for Sugar

AGENCY: Office of the United States Trade Representatives.

ACTION: Notice.

SUMMARY: The Office of the United States Trade Representative (USTR) is providing notice of two sets of country-by-country reallocations of part of the in-quota quantity of the tariff-rate quota for imported sugar for the period that ends September 30, 1995.

EFFECTIVE DATES: June 13 and July 13, 1995, respectively.

ADDRESSES: Inquiries may be mailed or delivered to Tom Perkins, Senior Economist, Office of the U.S. Trade Representative, 600 17th Street N.W., Office of Agricultural Affairs (Room 421), Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Tom Perkins, Office of Agricultural Affairs, 202-395-6127.

SUPPLEMENTARY INFORMATION: On June 13, 1995, and again on July 13, 1995, the United States Trade Representative determined and announced that countries to which an allocation had been made of the in-quota quantity under the sugar tariff-rate quota (TRQ) provided for in Additional U.S. Note 5 to chapter 17 of the Harmonized Tariff

Schedule of the United States (HTS) would not be filling their allocations and that the amount of this shortfall would be reallocated to other supplying countries or areas. This notice documents these earlier announcements. Following is information on the quota shortfall and reallocation amounts for the June 13 and July 13 announcements, respectively.

June 13, 1995, Reallocation

On June 13, 1995, the United States Trade Representative determined and announced that five countries would not be filling their allocations under the tariff-rate quota for sugar. These countries are: Barbados, Congo, Gabon, Papua New Guinea, and St. Kitts & Nevis. The amount of the total shortfall is 92,427 metric tons (101,883 short tons). The shortfall amount for each country is: Barbados 23,763 MT, Congo 14,584 MT, Gabon 21,840 MT, Papua New Guinea 13,999 MT, and St. Kitts & Nevis 18,241 MT.

This amount has been reallocated among supplying countries in the following amounts (metric tons, raw value):

| Country | Reallo-cated amount |
|--------------------------|---------------------|
| Argentina | 4,035 |
| Australia | 7,788 |
| Belize | 1,032 |
| Bolivia | 750 |
| Brazil | 13,606 |
| Colombia | 2,252 |
| Costa Rica | 1,407 |
| Dominican Republic | 16,515 |
| Ecuador | 1,032 |
| El Salvador | 2,440 |
| Fiji | 845 |
| Guatemala | 4,504 |
| Guyana | 1,126 |
| Honduras | 938 |
| India | 750 |
| Jamaica | 1,032 |
| Malawi | 938 |
| Mauritius | 1,126 |
| Mozambique | 1,220 |
| Nicaragua | 1,971 |
| Panama | 2,721 |
| Peru | 3,848 |
| Philippines | 12,668 |
| South Africa | 2,158 |
| Swaziland | 1,502 |
| Taiwan | 1,126 |
| Thailand | 1,314 |
| Trinidad-Tobago | 657 |
| Zimbabwe | 1,126 |
| Total | 92,427 |

July 13, 1995, Reallocation

On July 13, 1995, the United States Trade Representative determined and announced that five countries would not be filling their allocations of the

tariff-rate quota for sugar, including the amounts reallocated to them in the June 13, 1995, reallocation announcement. Accordingly, their remaining quota balances are being reallocated. This is in addition to the reallocation announced on June 13, 1995.

The five countries which will not utilize their remaining quota balances are: India, Madagascar, the Philippines, Taiwan, and Thailand. The total amount of the 1994/1995 sugar TRQ reallocated for purposes of the July 13 reallocation is 17,923 metric tons (19,757 short tons). The following amounts are reallocated from each country (in MT raw value): India, 750 MT; Madagascar, 2,066 MT; the Philippines, 12,668 MT; Taiwan, 1,126 MT; and Thailand, 1,314 MT.

This amount has been reallocated among supplying countries in the following amounts (metric tons, raw value):

| Country | Reallo-cated amount |
|--------------------------|---------------------|
| Argentina | 522 |
| Australia | 1,009 |
| Belize | 134 |
| Bolivia | 97 |
| Brazil | 1,762 |
| Columbia | 292 |
| Costa Rica | 183 |
| Dominican Republic | 2,139 |
| Ecuador | 134 |
| El Salvador | 316 |
| Fiji | 109 |
| Guatemala | 583 |
| Guyana | 146 |
| Honduras | 121 |
| Jamaica | 134 |
| Malawi | 121 |
| Mauritius | 146 |
| Mozambique | 158 |
| Nicaragua | 255 |
| Panama | 353 |
| Papua New Guinea | 8,005 |
| Peru | 499 |
| South Africa | 279 |
| Swaziland | 195 |
| Trinidad-Tobago | 85 |
| Zimbabwe | 146 |
| Total | 17,923 |

Barbados, India, Madagascar, Philippines, Taiwan and Thailand were also excluded from this reallocation based on reported lack of shipment intentions for the June 13 reallocation quantity.

The reallocation of the 17,923 MT includes reinstating to Papua New Guinea 8,005 MT of the 13,999 MT reallocated from it in the June 13 announcement. This amount was reinstated due to a confirmed delivery contract for quota entry into the United States by September 30, 1995.

Note: In both announcements, the reallocation amount is zero for the ten minimum quota-holding countries including: Congo, Cote d'Ivoire, Gabon, Haiti, Madagascar, Mexico, Papua New Guinea, Paraguay, St. Kitts & Nevis, and Uruguay, since the previously announced minimum allocation for these countries already exceeds the base import quota plus any reallocation adjustment.

Both reallocations apply to the period ending September 30, 1995, only.

Jennifer A. Hillman,

Acting United States Trade Representative.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36168; File No. SR-Amex-94-38]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendments No. 1, 2, 3, 4 and 5 to Proposed Rule Change Relating to the Establishment of Uniform Listing and Trading Guidelines for Stock Index, Currency and Currency Index Warrants

August 29, 1995.

I. Introduction

On September 12, 1994, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b) ("Section 19(b)") of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to establish uniform rules for the listing and trading of broad-based stock index ("index" or "stock index"), currency ("currency") and currency index ("currency index") warrants (collectively "warrants"). Notice of the proposed rule change appeared in the **Federal Register** on December 20, 1994.³ One comment letter was received in response to the proposal.⁴

The Exchange subsequently filed five Amendments to the proposal.⁵

Amendment No. 1 brought several of Amex's proposed rules and policies into conformity with those previously filed by other markets. Amendment No. 2 primarily addressed surveillance and margin issues related to the trading of warrants. Amendment No. 3 addressed the issues of settlement methodology, currency index warrant margin and reporting requirements. Amendment No. 4 deletes a transaction reporting requirement which will be revised and incorporated into the Exchange's surveillance procedures and also makes minor changes requested by the staff. Amendment No. 5 clarifies the settlement procedures for index warrants which are exercised at or prior to expiration. This order approves the proposal, as amended.

II. Description of the Proposal

The Amex proposes to establish uniform rules for the listing and trading of stock index, currency and currency index warrants.⁶ Section 106 of the Amex Company Guide, Currency and Index Warrants, would be amended to provide uniform listing criteria for broad-based stock index, currency, and currency index warrants.⁷ First, issuers would be expected to exceed minimum issuer listing standards. In particular, the Exchange proposes that issuers be required to have a minimum tangible net worth in excess of \$250 million or, in the alternative, have a minimum tangible net worth in excess of \$150 million and provided that the issuer does not have (including as a result of the proposed issuance) issued outstanding warrants where the aggregate original issue price of such warrant offerings (combined with offerings by its affiliates) listed on a national securities exchange or that are National Market securities traded through NASDAQ exceeds 25% of the issuer's net worth.⁸

Second, the proposal, as amended requires that unexercised in-the-money warrants provide for automatic exercise on their expiration date or on or promptly following their delisting date (if the issue is not listed upon another

organized securities market). Third, the proposal provides that for warrant offerings where U.S. stocks constitute 25% or more of the index value ("domestic index"), issuers shall use opening prices ("a.m. settlement") for U.S. stocks to determine index warrant settlement values on the final determination of settlement value date ("valuation date") for the warrants as well as during the two business days prior to the valuation date.⁹ Fourth, Section 106 has been amended to provide that foreign country securities or American Depositary Receipts ("ADRs") thereon that are not subject to a comprehensive surveillance sharing agreement with the Exchange and that have less than 50% of their global trading volume (in dollar value) within the U.S., shall not represent more than 20% of the weight of the index.¹⁰

The Exchange also proposes adding a provision to Section 106 which is designed to assist in the surveillance of index warrant trading. Specifically, the Exchange will require issuers of stock index warrants to notify the Exchange of any early exercises. For domestic index warrants, this notice must occur no later than 4:30 p.m. (New York time) on the day that the settlement value for the warrants is determined.¹¹

Rule 462 ("Rule 462"), the Amex margin rule, is being amended to apply the current customer margin requirements for broad based stock index and currency options to stock index, currency and currency index warrants. Thus, all purchases of warrants will require payment in full, and short sales of stock index warrants will require initial margin of: (i) 100 percent of the current value of the warrant plus (ii) 15 percent of the current value of the underlying broad stock index less the amount by which the warrant is out of the money, but with a minimum of ten percent of the index value. Short sales of currency warrants will follow the margin requirements currently applicable to listed currency options. Specifically, the Exchange proposes that short sales of warrants on the German Mark, French Franc, Swiss Franc, Japanese Yen, British Pound, Australian Dollar and European Currency Unit shall be subject to a margin level of 100% of the current

⁹ See Amendment No. 3. The Exchange amended its proposal in response to the Seward & Kissell Letter and notes that a warrant based upon a domestic U.S. stock index may be settled using closing prices ("p.m. settlement") for the underlying stocks at all times except for the warrant's valuation date and the two business days immediately preceding the valuation date.

¹⁰ See Amendment No. 1.

¹¹ See Amendment No. 2.

¹ 15 U.S.C. § 78s(b)(1) (1988 & Supp. V 1993).

² 17 CFR § 240.19b-4 (1994).

³ See Securities Exchange Act Release No. 35086 (Dec. 12, 1994), 59 FR 65561.

⁴ See Letter from Paul M. Gottlieb, Seward & Kissell, to Jonathan G. Katz, Secretary, Commission, dated January 10, 1995 ("Comment Letter" or "Seward & Kissell Letter").

⁵ See Letters from William Floyd-Jones, Assistant General Counsel, Amex, to Michael Walinskas, SEC, dated May 12, 1995 ("Amendment No. 1"), May 12, 1995 ("Amendment No. 2"), June 26, 1995 ("Amendment No. 3"), July 28, 1995 ("Amendment No. 4") and August 16, 1995 ("Amendment No. 5").

⁶ The proposed rules would apply to both American-style warrants (which may be exercised at any time prior to expiration) and European-style warrants (which may only be exercised during a specified period before expiration).

⁷ Sections 106 (b)-(d), which require issuances of warrants to: have a term of one to five years; have a minimum public distribution of 1,000,000 warrants together with a minimum of 400 public holders and an aggregate market value of \$4,000,000 and; be cash-settled in U.S. dollars would remain unchanged.

⁸ See Amendment No. 1. The Exchange amended this provision in response to the Seward & Kissell Letter.