

Accounts," of the ACH Agreement requires CME to have two accounts at OCC, one for proprietary positions and one for customer positions. Each will function as an omnibus account containing the positions and margin carried by CME members for whom CME acts as an ACH. The "CME Proprietary Account" will carry only transactions of persons whose accounts on the books of the carrying CME clearing member are "proprietary accounts" as defined in CFTC Regulation 1.3(y). The "CME Customer Account" will carry only transactions of customers of CME clearing members and will be subject to the customer protection provisions of the CFTC. In accordance with those provisions, Section 9(b) of the ACH Agreement provides that OCC will have a lien on the positions in the CME Customer Account as security for CME's obligations to OCC only with respect to positions and transactions in that account. In contrast, OCC will have a lien on and security interest in the positions in the CME Proprietary Account as security for all obligations of CME to OCC under the ACH Agreement.

As noted above, OCC has agreed in Section 4 of the ACH Agreement to perform a limited role in connection with delivery obligations of CME clearing members arising from physically-settled security futures in CME member accounts. CME will require each of its clearing members that trades physically-settled security futures to enter into arrangements satisfactory to OCC through which an OCC stock clearing member will agree to act on the CME clearing member's behalf for the purpose of settling through the facilities of National Securities Clearing Corporation ("NSCC") or otherwise delivery obligations arising from maturing security futures contracts in its accounts at CME. Promptly following the close of trading on the last trading day prior to maturity of any series of physically-settled security futures, CME will notify OCC of the identity of each OCC clearing member that will be obligated to receive or to deliver stock on behalf of CME members and the quantity of each underlying stock to be received or delivered. OCC will include these receive and deliver obligations with the other receive and deliver obligations of its clearing members in its reports to NSCC in accordance with OCC Rule 913. In the event that settlement is rejected by NSCC for any reason, settlement will be completed between the delivering and receiving OCC clearing members in accordance with OCC's rules, but CME will be

responsible to OCC for any loss reasonably determined by OCC to have been incurred by it as a result of an OCC clearing member default in connection with settlements arising from security futures contracts in CME clearing member accounts. OCC will not require the delivering OCC clearing member or receiving OCC clearing member to deposit margin with OCC with respect to settlements attributable to security futures in CME clearing member accounts but will instead look to the credit of CME.

III. Discussion

Section 19(b)(2) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. For the reasons set forth below, the Commission believes that OCC's proposed rule change is consistent with OCC's obligations under Section 17A(b)(3)(F) which requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.¹⁵

By providing a transition period for those OCC members that are also ACH members to adopt their systems to clear securities futures through OCC and by adopting the OCX Agreement and the ACH Agreement, OCC is further establishing itself as a facility capable of providing for the prompt and accurate clearance and settlement of security futures transactions. Accordingly, the Commission finds that the proposed rule change is consistent with OCC's obligations under section 17A of the Act.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of section 17A of the Act and the rules and regulations thereunder applicable.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-2002-07) be, and hereby is, approved.

¹⁵ 15 U.S.C. 78q-1(b)(3)(F).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-26682 Filed 10-18-02; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF STATE

[Public Notice 4152]

Notice of Meetings: United States International Telecommunication Advisory Committee Preparations for Various Telecommunication Standardization Meetings

The Department of State announces meetings of the U.S. International Telecommunication Advisory Committee (ITAC). The purpose of the Committee is to advise the Department on policy, technical and operational issues with respect to international telecommunications standardization bodies such as the International Telecommunication Union.

The ITAC will meet to prepare for the February 2003 meeting of the Telecommunication Sector Advisory Group (TSAG) on October 30, November 19, and December 19, 2002 from 9:30 to noon at locations in the Washington, DC area to be determined.

Members of the public will be admitted to the extent that seating is available, and may join in the discussions, subject to the instructions of the Chair. Directions to the meeting location and on which entrance to use may be determined by calling the ITAC Secretariat at 202-647-0965, 202-647-2592 or e-mail to minardje@state.gov.

Dated: October 17, 2002.

Cecily Holiday,

Director, Radiocommunication Standardization, Department of State.

[FR Doc. 02-26852 Filed 10-18-02; 8:45 am]

BILLING CODE 4710-45-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Request for Public Comment on Review of Employment Impact of United States-Chile Free Trade Agreement

AGENCY: Office of the United States Trade Representative, Department of Labor.

ACTION: Request for comments.

SUMMARY: The interagency Trade Policy Staff Committee (TPSC) gives notice that

¹⁶ 17 CFR 200.30-3(a)(12).