

acceptance, and processing when in use. The field test will employ available communications and will interface with current operational systems to exercise all system functions.

The manager, PTM, will review the executive summary of the provider-proposed test plan for limited distribution field testing. The review will be based on, but not limited to, the assessed revenue risk of the system, system impact on Postal Service operations, and requirements for Postal Service resources. Approval may be based in whole or in part on the anticipated mail volume, mail characteristics, and mail origination and destination patterns of the proposed system. For systems designed for use by an individual meter user, product users engaged in field testing must be approved by the Postal Service before they are allowed to participate in the test. These participants must sign a nondisclosure/confidentiality agreement when reporting system security, audit and control issues, deficiencies, or failures to the provider and the Postal Service. This requirement does not apply to users of systems designed for public use.

#### 8. Postage Evidencing System Approval

Postal Service approval of the postage meter (postage evidencing system) is based on the results of an administrative review of the materials and test results generated during the product submission and approval process. In preparation for the administrative review, the provider must update all documentation submitted in compliance with these procedures to ensure accuracy. The Postal Service will prepare a product approval letter detailing the conditions under which the specific product may be manufactured, distributed, and used. The provider must submit the following materials for the Postal Service administrative review:

- (1) Materials prepared for the Postal Service by the independent testing laboratory.
- (2) The final certificate of evaluation from the NVLAP laboratory, where required.
- (3) The results of system infrastructure testing.
- (4) The results of field testing of a limited number of systems.
- (5) The results of any other Postal Service testing of the system.
- (6) The results of provider site security reviews.

#### 9. Intellectual Property

Providers submitting postage evidencing systems to the Postal Service

for approval are responsible for obtaining all intellectual property licenses that may be required to distribute their product in commerce and to allow the Postal Service to process mail bearing the indicia produced by the product.

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

[FR Doc. 02-10782 Filed 4-30-02; 8:45 am]

**BILLING CODE 7710-12-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45843; File No. S7-12-02]

#### Draft Data Quality Assurance Guidelines

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice of draft guidelines and request for comments.

**SUMMARY:** The Securities and Exchange Commission has posted on its website at [www.sec.gov](http://www.sec.gov) draft data quality assurance guidelines. The guidelines describe procedures for ensuring and maximizing the quality of information before it is disseminated to the public, and the procedures by which an affected person may obtain correction, where appropriate, of disseminated information that does not comply with the guidelines. Comments will be considered in developing final data quality assurance guidelines.

**DATES:** Comments must be received on or before June 3, 2002.

**ADDRESSES:** You should send three copies of your comments to Jonathan G. Katz, Secretary, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. You also may submit your comments electronically to the following address: [dataquality@sec.gov](mailto:dataquality@sec.gov). All comment letters should refer to File No. S7-12-02; this file number should be included in the subject line if you use electronic mail. Comment letters will be available for public inspection and copying at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549-0102. We will post electronically submitted comment letters on the Commission's Internet Web site (<http://www.sec.gov>). We do not edit personal identifying information, such as names or electronic mail addresses, from electronic submissions. Submit only information you wish to make publicly available.

**FOR FURTHER INFORMATION CONTACT:** Questions about the draft guidelines

should be referred to David Fredrickson or Monette Dawson, Office of the General Counsel (202) 942-0890 or (202) 942-0870, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0606.

By the Commission.

Dated: April 29, 2002.

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 02-10931 Filed 4-29-02; 2:49 pm]

**BILLING CODE 8010-01-U**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45817; File No. SR-CBOE-2002-19]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated To Amend Its Rules Relating to the Limitation of Liability for Index Licensors

April 24, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on April 19, 2002, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") 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 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 CBOE proposes to amend its rules to make clear that its disclaimer provisions for index licensors apply to any licensor that grants the Exchange a license to use an index or portfolio in connection with the trading of options on exchange-traded funds ("ETFs").

Below is the text of the proposed rule change. Proposed new language is *italicized*.

\* \* \* \* \*

#### Chicago Board Options Exchange, Incorporated Rules

\* \* \* \* \*

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

<sup>2</sup> 17 CFR 240.19b-4.

**Rule 6.15 Limitation on the Liability of Index Licensors for Options on Units**

(a) The term "index licensor" as used in this rule refers to any entity that grants the Exchange a license to use one or more indexes or portfolios in connection with the trading of options on Units (as defined in Interpretation .06 to Rule 5.3).

(b) No index licensor with respect to any index pertaining to Units underlying an option traded on the Exchange makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intra-day or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract on Units based thereon or for any other purpose. The index licensor shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the index licensor does not guarantee the accuracy or completeness of such index, any opening, intra-day or closing value therefor, or any data included therein or related thereto. The index licensor hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any such index, any opening, intra-day or closing value therefor, any data included therein or relating thereto, or any option contract on Units based thereon. The index licensor shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intra-day or closing value therefor, any data included therein or relating thereto, or any option contract on Units based thereon, or arising out of any errors or delays in calculating or disseminating such index.

\* \* \* \* \*

**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 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 CBOE proposes to add a new CBOE Rule 6.15 to CBOE's rules to state liability disclaimers expressly for the benefit of any index owner that grants the Exchange a license to use an index or portfolio in connection with the trading of options on ETFs. ETFs may be traded on CBOE pursuant to listing standards in CBOE Rule 5.3, Interpretation and Policy .06.

CBOE Rule 24.14 currently states liability disclaimers for the benefit of "reporting authorities" with respect to indexes underlying options traded on the Exchange. Proposed new CBOE Rule 6.15 is substantively identical to CBOE Rule 24.14, except that it uses the term "index licensor" in place of the term "reporting authority."<sup>3</sup>

Like index options, options on ETFs are based on indexes and, indeed, index options and options on ETFs may be based on the same underlying indexes. CBOE believes that the protections afforded to an index licensor in connection with trading options on an index should also apply to an index licensor in connection with trading options on ETFs.

**2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>4</sup> in general and furthers the objectives of Section 6(b)(5) of the Act<sup>5</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in

<sup>3</sup> The term "reporting authority" is defined in CBOE Rule 24.1(h) as, with respect to a particular index, "the institution or reporting service designated by the Exchange as the official source for calculating the level of the index from the reported prices of the underlying securities that are the basis of the index and reporting such level." In practice, the Exchange designates the owner/licensor of an index as the reporting authority for that index, and the owner/licensor therefore receives the benefit of the disclaimers in CBOE Rule 24.14. The CBOE believes that the concept of a "reporting authority" is not relevant for options on an ETF, because The Options Clearing Corporation does not directly use the values of the underlying index for purposes of settlement and margin calculations. Instead, the values of the ETF itself are used for these purposes. Proposed CBOE Rule 6.15 therefore uses the term "index licensor" in place of the term "reporting authority" used in CBOE Rule 24.14.

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

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

facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that the proposed rule change would eliminate an apparent discrepancy in its rules between the provisions applicable to index options and those applicable to options on ETFs. The Exchange also believes that the proposed rule change would eliminate an impediment to the listing and trading of options on ETFs.

**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.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the proposed rule change (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 of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>6</sup> and Rule 19b-4(f)(6) thereunder.<sup>7</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>8</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and public interest. The Exchange requests that the Commission waive the 30-day operative date and seeks to have the proposed rule change become operative as of April 19, 2002, in order to immediately afford protection for index licensors from liability. In addition, under Rule 19b-4(f)(6)(iii), the Exchange is required to provide the Commission with written notice of its intent to file the proposed rule change at least five business days

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(6).

<sup>8</sup> 17 CFR 240.19b-4(f)(6)(iii).

prior to the filing date or such shorter time as designated by the Commission.<sup>9</sup>

The Commission, consistent with the protection of investors and the public interest, has waived the thirty-day operative date requirements for this proposed rule change, and has determined to designate the proposed rule change operative as of April 19, 2002.<sup>10</sup> 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 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. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-2002-19 and should be submitted by May 22, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 02-10715 Filed 4-30-02; 8:45 am]

**BILLING CODE 8010-01-P**

<sup>9</sup> The CBOE provided the Commission with notice of intent to file at least five days prior to filing the proposed rule change.

<sup>10</sup> For the purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rules impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45819; File No. SR-CHX-2002-11]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated To Extend Pilot Rules for Decimals

April 24, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 12, 2002, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") 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 by the CHX. The Exchange filed the proposal pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(6)<sup>4</sup> thereunder, which renders the proposal effective upon filing with the Commission.<sup>5</sup> 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 proposes to extend through September 30, 2002, the pilot rules amending certain CHX rules that were impacted by the securities industry transition to a decimal pricing environment. The two pilots containing these rules were due to expire on April 15, 2002. The CHX does not propose any substantive or typographical changes to the pilot; the only change is an extension of each pilot's expiration date through September 30, 2002. The text of the proposed rule change is available at the Commission and at the CHX.

#### 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 CHX included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these statements may be examined at the

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> The Exchange requested, and the Commission agreed, to waive the 5-day prefiling notice requirement.

places specified in Item IV below. The CHX 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

On August 24, 2000, the Commission approved, on a pilot basis through February 28, 2001, changes proposed by the Exchange to amend certain CHX rules that would be impacted by the securities industry transition to a decimal pricing environment, including the Exchange's crossing rule.<sup>6</sup> By a series of subsequent submissions, the pilots were extended four times.<sup>7</sup> The Exchange now requests an extension of the current pilots through September 30, 2002. The CHX does not propose to make any substantive or typographical changes to the pilot.

##### 2. Statutory Basis

The CHX believes the proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b).<sup>8</sup> The CHX believes the proposal is consistent with Section 6(b)(5) of the Act<sup>9</sup> in that it is designed

<sup>6</sup> These changes were proposed in two separate CHX submissions, the second of which dealt solely with decimal-related changes to the Exchange's crossing rule, Article XX, Rule 23. See Securities Exchange Act Release No. 43204 (August 24, 2000), 65 FR 53065 (August 31, 2000) (SR-CHX-2000-22) (approving changes to various CHX rules on a pilot basis ("Omnibus Decimal Pilot")); see also Securities Exchange Act Release No. 43203 (August 24, 2000), 65 FR 53067 (August 31, 2000) (SR-CHX-2000-13) (approving changes to the CHX crossing rule on a pilot basis ("Crossing Rule Decimal Pilot")).

<sup>7</sup> See Securities Exchange Act Release Nos. 43974 (February 16, 2001), 66 FR 11621 (February 26, 2001) (SR-CHX-2001-03) (extending Omnibus Decimal Pilot through July 9, 2001); 44488 (June 28, 2001), 66 FR 35684 (July 6, 2001) (SR-CHX-2001-13) (extending Omnibus Decimal Pilot through November 5, 2001); 45059 (November 15, 2001), 66 FR 58543 (November 21, 2001) (SR-CHX-2001-20) (extending Omnibus Decimal Pilot through January 14, 2002); and 45482 (February 27, 2002), 67 FR 10243 (March 3, 2002) (SR-CHX-2002-01) (extending Omnibus Decimal Pilot through April 15, 2002); see also, Securities Exchange Act Release Nos. 44000 (February 23, 2001), 66 FR 13361 (March 5, 2001) (SR-CHX-00-27) (extending Crossing Rule Decimal Pilot through July 9, 2001); 45010 (November 1, 2001), 66 FR 56585 (November 8, 2001) (SR-CHX-2001-22) (extending Crossing Rule Decimal Pilot through January 14, 2002); and 45481 (February 27, 2002), 67 FR 10244 (March 3, 2002) (SR-CHX-2002-03) (extending Crossing Rule Decimal Pilot through April 15, 2002).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).