

adjustments in other terms have been made to bring the agreement into line with clearing and settlement agreements that OCC has entered into with other exchanges after it entered into the Original Agreement.

OCC believes that the proposed rule change is consistent with the purposes and requirements of section 17A of the Securities Exchange Act of 1934, as amended, because it will foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any 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 not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(iii) of the Act⁵ and Rule 19b-4(f)(4)⁶ thereunder because it effects a change in an existing service of OCC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of OCC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of OCC or persons using the service. At any time within sixty 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 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 OCC. All submissions should refer to the File No. SR-OCC-2002-13 and should be submitted by November 25, 2002.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46728; File No. SR-PCX-2002-65]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Exchange Fees and Charges

October 25, 2002.

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 September 27, 2002, the Pacific Exchange, Inc. ("PCX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which the PCX has prepared. 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 PCX is proposing to amend its Schedule of Fees and Charges with

respect to the following fees for options: broker-dealer and market maker transaction charges, the continued listings fee, and the shortfall fee. The text of the proposed rule change is below. New text is italicized; deleted text is in brackets.

SCHEDULE OF FEES AND CHARGES FOR EXCHANGE SERVICES
[PCX Options: Trade-Related Charges]

Transactions:	
Customer	\$0.00 per contract side.
PCX Market Maker ...	\$0.21 per contract side.
Non-PCX Option Market Makers.	\$0.26 per contract side.
Firm	\$0.10 per contract side for customer facilitation.
Broker/Dealer	[\$0.19] \$0.21 per contract side.
PCX Options: Floor and Market Maker Fees:	
Continued Listings Fee.	Difference between \$500 and average monthly revenue for issues with less than \$500 in volume based charges (average monthly revenue based on trailing 3 months). <i>The fee will be capped at \$15,000 per month per LLM firm.</i>
Shortfall Fee	\$.35 per contract on shortfall volume*

* Only applies to the top 120 options. Shortfall volume is the difference between 12% of the total national market share in an option issue for one month and the percentage executed by the LMM. *For the purpose of this calculation, the national market share of any equity option industry volume will be capped at 2.9 million contracts per day.*

* * * * *

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 PCX included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it had received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The PCX has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of those statements.

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(f)(4).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The PCX is proposing to change its broker-dealer transaction charge, market maker transaction charges, continued listings fee, and shortfall fee effective with the October 2002 trading month. Other than the fees listed herein, the PCX does not seek to make any other changes to its fee schedule.

1. Broker-Dealer Transaction Charge

The PCX currently imposes a fee of \$0.19 per contract side on all transactions of broker-dealers. The PCX proposes to increase this fee to \$0.21 per contract side, which would bring the transaction fee to the same level as the PCX Market Maker transaction charge.

2. Transaction Fees Originating From Non-PCX Options Market Makers

Currently, the PCX charges all market makers a fee of \$0.21 for every contract that they execute. The PCX proposes to increase, to \$0.26 per contract, the transaction fee for market maker transactions that originate from non-PCX options market makers. The fee would be imposed only on member firms that clear trades for away market makers. The PCX proposes this increase in order to recoup its administrative and regulatory costs related to non-PCX market maker transactions.

3. Continued Listing Fee

The PCX currently imposes upon LMMs a continued listing fee for issues that have not generated at least \$500 in monthly revenues to the PCX on a trailing three-month average basis.³ The continued listing fee is calculated as the incremental difference between the \$500 threshold and the amount of revenue that the issue generates. The PCX proposes to cap the amount of the continued listings fee that can be charged to an LMM firm at \$15,000 per month per LMM firm.

The PCX also proposes to modify the continued listing fee in order to adjust the method of calculating the average monthly volume-based charges for recently transferred issues. Currently, LMM firms that are transferred issues from another LMM assume the continued listings fee from the transferring firm. To help foster demand for issues during a period of continuing consolidation among trading firms, the PCX proposes to modify the way the continued listings fee is applied to

transferred issues. Under the PCX's proposal, an LMM would not be subject to the continued listings fee for an issue that it acquired by transfer for any portion of the month that it acquired the issue, assuming a mid-month transfer. The LMM firm would be subject to a fee based upon the activity of the first full month that it trades an issue. After the second full month of trading the issue, the transferee LMM would be subject to a continued listings fee based upon the trailing two-month activity level. In future months, the transferee LMM would be subject to the fee based on a three-month rolling average.

4. Shortfall Fee

In June 2002, the PCX increased the LMM shortfall fee from 10% to 12% for the top 120 equity options traded nationally. Due to periodic spikes in national industry volume, the PCX proposes to cap the shortfall fee when equity industry volume reaches 2.9 million contracts per day or higher. As proposed, LMM firms would not be charged a shortfall fee on contracts in a top 120 issue that exceeds the calculated volume cap amount.

The PCX believe that the proposal is consistent with Section 6(b)(4) of the Act⁴ in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members.

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

The PCX does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The PCX neither solicited nor received written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act⁵ and Rule 19b-4(f)⁶ because it changes the PCX fee schedule. At any time within 60 days after the filing of the proposed rule change, the Commission may summarily abrogate the 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 proposal 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 PCX. All submissions should refer to File No. SR-PCX-2002-65 and should be submitted by November 25, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-28000 Filed 11-1-02; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with P.L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. The information collection packages that may be included in this notice are for new information collections, revisions to OMB-approved information collections and extensions (no change) of OMB-approved information collections.

SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its

³ See Securities Exchange Act Release No. 42050 (October 21, 1999), 64 FR 58117 (October 28, 1999) (SR-PCX-99-32).

⁴ 15 U.S.C. 78f(b)(4).

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f).

⁷ 17 CFR 200.30-3(a)(12).