

6. Letter from Jack Ehnes, CEO, California State Teachers' Retirement System ("CALSTRS"), to Jonathan G. Katz, Secretary, Commission, dated November 20, 2003 ("CALSTRS Letter").

7. Letter from John Reed, Interim Chairman and CEO, NYSE, to William H. Donaldson, Chairman, Commission, dated November 25, 2003 ("Reed Letter").

8. Letter from Amy B.R. Lancellotta, Senior Counsel, Investment Company Institute, to Jonathan G. Katz, Secretary, Commission, dated December 2, 2003 ("ICI Letter").

9. Letter from Sarah A.B. Teslik, Executive Director, Council of Institutional Investors, to William H. Donaldson, Chairman, Commission, dated November 3, 2003 ("First CII Letter").

10. Letter from Charles W. Austin, President, Public Investors Arbitration Bar Association, to Jonathan G. Katz, Secretary, Commission, dated December 2, 2003 ("PIABA Letter").

11. Letter from Marc E. Lackritz, President, Securities Industry Association, to Jonathan G. Katz, Secretary, Commission, dated December 5, 2003 ("SIA Letter").

12. Letter from Alan Hevesi, Comptroller, State of New York; Phil Angelides, Treasurer, State of California; Richard H. Moore, Treasurer, State of North Carolina; Sean Harrigan, President, CalPERS; Jack Ehnes, CEO, CALSTRS; Dale McCormick, Treasurer, State of Maine; Randall Edwards, Treasurer, State of Oregon; Michael Fitzgerald, Treasurer, State of Iowa; Jonathan Miller, Treasurer, State of Kentucky; Denise Nappier, Treasurer, State of Connecticut; and Brian K. Krolicki, Treasurer, State of Nevada; to Chairman Donaldson, Commission, dated November 20, 2003 ("State Treasurers' Letter").

13. Letter from James D. Knotter to William H. Donaldson, Chairman, Commission, dated November 10, 2003 ("Knotter Letter").

14. Letter from Hans R. Reinisch to William H. Donaldson, Chairman, Commission, dated November 11, 2003 ("Reinisch Letter").

15. Letter from Sarah A.B. Teslik, Executive Director, Council of Institutional Investors, to Jonathan G. Katz, Secretary, Commission, dated November 24, 2003 ("Second CII Letter").

16. Letter from John S. Reed, Interim Chairman & CEO, NYSE, to Jonathan G. Katz, Secretary, Commission, dated December 11, 2003 ("Second Reed Letter").

17. Letter from J.P. Allen, Chair, Highway Patrol Retirement System; Robert M. Beck, Chair, Ohio Police and Fire Pension Fund; Charlie Adkins, Chair, Public Employees Retirement System of Ohio; Eugene E. Norris, Chair, State Teachers Retirement System of Ohio; and Barbara J. Miller, Chair, School Employees Retirement System of Ohio, to William H. Donaldson, Chairman, Commission, dated November 24, 2003 ("Ohio Retirement Systems Letter").

18. Letter from John B. Licata, CEO, Sonoma Securities Corporation, to William H. Donaldson, Chairman, Commission, dated November 22, 2003 ("Sonoma Letter").

[FR Doc. 03-31641 Filed 12-23-03; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48908; File No. SR-OCC-2003-05]

### Self-Regulatory Organizations; the Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Assignment of S&P 100 Index Options

December 11, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on July 21, 2003, The Options Clearing Corporation ("OCC") 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 primarily by OCC. 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 proposed rule change changes the assignment methodology for S&P 100 ("OEX") index options from random to *pro rata*.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

At present, OCC uses a random assignment procedure for most classes of options.<sup>3</sup> *Pro rata* assignment was approved by the Commission for flexibly structured foreign currency

options<sup>4</sup> and at present is used only for those options.

The Chicago Board Options Exchange ("CBOE") has asked OCC to change to a *pro rata* assignment methodology for exercises of OEX options. CBOE believes that assigning OEX option exercises on a *pro rata* basis will permit more effective hedging by market participants. When exercises are assigned on a random basis, a holder of a short position in a series in which less than 100% of the open interest is exercised cannot accurately predict whether and to what extent his position will be assigned even after he knows the percentage of open interest exercised. Under the *pro rata* assignment methodology, OCC assigns exercises in a series of options to each clearing member account in approximately the same proportion that the number of short positions of that series carried in the account bears to the total number of short options of that series. As a result, once the percentage of open interest exercised is known, clearing members and market makers can predict whether and to what extent their positions will be assigned and take appropriate market action if desired.<sup>5</sup>

OCC's procedures for assigning exercise notices are not set out in OCC's rules but are treated as a stated policy, practice, or interpretation with respect to OCC Rule 803, which generally addresses assignments to clearing members.<sup>6</sup> This proposed rule change will not effect a substantive change in either of the assignment procedures. It would merely change the assignment procedure for OEX exercises from random to *pro rata*.

OCC believes that the proposed rule change is consistent with section 17A of the Act because it promotes the prompt and accurate clearance and settlement of securities transactions and fosters cooperation and coordination with persons engaged in the clearing 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.

<sup>4</sup> Securities Exchange Act Release No. 38165 (January 14, 1997), 62 FR 3070 (January 21, 1997) (File No. SR-OCC-96-19).

<sup>5</sup> OCC assigns exercises directly to clearing members and market makers. Positions carried in combined market maker accounts are carried net and identified by acronyms that make it possible for OCC to assign exercises to short positions of individual market makers on a *pro rata* basis.

<sup>6</sup> Upon request to OCC, investors may obtain a description of OCC's assignment procedures and the options classes to which they apply.

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

<sup>2</sup> The Commission has modified parts of these statements.

<sup>3</sup> This process was discussed in detail in Securities Exchange Act Release No. 46735 (October 28, 2002), 67 FR 67434 (November 5, 2002) (File No. SR-OCC-2002-19).

*(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)(i) of the Act<sup>7</sup> and Rule 19b-4(f)(1)<sup>8</sup> thereunder because it constitutes a stated policy, practice or interpretation with respect to the meaning, enforcement or administration of an existing rule. At any time within 60 days of the filing of the proposed rule change, the Commission could have summarily abrogated such rule change if it appeared to the Commission that such action was 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. Comments may also be submitted electronically at the following e-mail address: [rule-comments@sec.gov](mailto:rule-comments@sec.gov). All comment letters should refer to File No. SR-OCC-2003-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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-2003-5 and should be submitted by January 14, 2004.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-31647 Filed 12-23-03; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48934; File No. SR-PCX-2003-54]

### Self Regulatory Organizations; Pacific Exchange, Inc.; Order Granting Accelerated Approval to Proposed Rule Change To Amend PCXE Rule 7.37(d) Relating To Routing Orders Away

December 16, 2003.

On September 25, 2003, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend PCXE Rule 7.37(d) to clarify the process by which orders are routed outside the Archipelago Exchange Facility ("ArcaEx") to away market centers or market participants. The proposed rule change was published for comment in the **Federal Register** on November 19, 2003.<sup>3</sup> The Commission received no comment letters on the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, particularly, section 6(b)(5) of the Act.<sup>4</sup> The Commission believes that the PCX's clarification of the process by which orders are routed outside ArcaEx to away market centers or market participants under PCXE Rule 7.37(d) would foster cooperation and coordination with persons engaged in regulating, clearing, settling and facilitating transactions in securities.

Furthermore, the Commission finds good cause for approving the proposed

rule change prior to the thirtieth day after notice of the publication in the **Federal Register**. The proposal does not seek to change the process by which ArcaEx routes orders to away market centers or market participants under PCXE Rule 7.37(d), but rather to clarify the existing process. The Commission believes that acceleration of this proposal would assist ArcaEx participants to better understand how ArcaEx may route their orders to away market centers or market participants under PCXE Rule 7.37(d) in a more timely manner. Accordingly, the Commission finds good cause, consistent with section 19(b)(2) of the Act,<sup>5</sup> to approve the proposed rule change on an accelerated basis.<sup>6</sup>

It is therefore ordered, pursuant to section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (File No. SR-PCX-2003-54) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-31642 Filed 12-23-03; 8:45 am]

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## SOCIAL SECURITY ADMINISTRATION

### The Ticket to Work and Work Incentives Advisory Panel Teleconference

**AGENCY:** Social Security Administration (SSA).

**ACTION:** Notice of teleconference.

**DATES:** Thursday, January 22, 2004.

*Teleconference:* Thursday, January 22, 2004, 1:30 p.m. to 3:30 p.m. Eastern time.

*Ticket to Work and Work Incentives Advisory Panel Conference Call:* Call-in number: 1-877-546-1565. Pass code: PANEL. Leader/Host: Sarah Wiggins Mitchell.

### SUPPLEMENTARY INFORMATION:

*Type of meeting:* This teleconference meeting is open to the public. The interested public is invited to participate by calling into the teleconference at the number listed above. Public testimony will not be taken.

*Purpose:* In accordance with section 10(a)(2) of the Federal Advisory

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> In approving this proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 48768 (November 10, 2003), 68 FR 65338.

<sup>4</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>8</sup> 17 CFR 240.19b-4(f)(1).