

Securities Exchange Act of 1934, Making Findings and Imposing Sanctions.<sup>7</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and to protect investors and the public interest, by providing a System that enables Floor Brokers to handle orders they represent more efficiently, while enabling the Exchange to comply with the requirement in the Order to provide an electronic audit trail for non-electronic orders entered on the Exchange.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate 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 either solicited or received.

## III. 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-Phlx-2003-81. The 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2003-81 and should be submitted by January 20, 2004.

## IV. Discussion

After careful review, 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.<sup>10</sup> In particular the Commission finds that the proposed rule to extend the rules relating to the System on a pilot basis until February 6, 2004 is consistent with section 6(b)(5) of the Act, which requires that the rules of an exchange be designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national securities System, and protect investors and the public interest.<sup>11</sup>

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of the publication of notice thereof in the **Federal Register**. The Commission believes that granting accelerated approval to the proposed rule change on a pilot basis will allow the Exchange to have enforceable rules governing use of the Exchange's new System in effect prior to permanent approval of the rules, and will help ensure that members are properly trained and familiar with the rules. In addition, Commission is granting accelerated approval retroactively to November 14, 2003, in order to prevent a lapse in the effectiveness of the Exchange's rules governing operation of the System to ensure continuity of the pilot.

## V. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-Phlx-2003-81) is approved on an accelerated basis and is effective retroactively from

November 14, 2003, on a pilot basis until February 6, 2004.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48954; File No. SR-SCCP-2003-04]

### Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Order Approving a Proposed Rule Change Relating to Permanent Approval of SSCP's Restructured Limited Clearing Business

December 18, 2003.

On June 20, 2003, the Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on October 30, 2003.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

## I. Description

This order permanently approves SSCP's business whereby it provides limited clearance and settlement services.

### A. Background

Through an agreement dated June 18, 1997 ("Agreement"), among SSCP, the Philadelphia Stock Exchange, Inc. ("Phlx"), the Philadelphia Depository Trust Company ("Philadep"), the National Securities Clearing Corporation ("NSCC"), and The Depository Trust Company ("DTC"), Philadep and SSCP transferred most of their depository and clearance services to DTC and NSCC. As a result, SSCP stopped providing its continuous net settlement ("CNS") system for conducting settlements between SSCP and its participants and its cash settlement services attendant to Philadep's same-day funds settlement system and the Philadep settlement process. However, pursuant to the Agreement, SSCP continued to offer

<sup>7</sup> See Securities Exchange Act Release No. 43268 (September 11, 2000) and Administrative Proceeding File 3-10282 (the "Order").

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

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

<sup>10</sup> In approving this proposed rule change, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> 15 U.S.C. 78f(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> Securities Exchange Act Release No. 48692 (Oct. 24, 2003), 68 FR 61846.

limited clearing and settlement services to Phlx members.<sup>3</sup>

In December 1997, the Commission approved proposed rule changes that implemented the Agreement.<sup>4</sup> These rule changes reflected Philadep's withdrawal from the depository business and temporarily approved for one year SCCP's restructured and limited clearance and settlement business.<sup>5</sup> Subsequently, the Commission has extended the temporary approval several times so that SCCP could continue to offer restructured and limited clearance and settlement services.<sup>6</sup>

### B. SCCP's Proposed Rule Change

In its current rule filing, SCCP proposed that the Commission permanently approve SCCP's limited clearance and settlement business. SCCP believes that its restructured operations have functioned consistent with its original proposed rule change and are functioning well under actual working conditions.

Accordingly, because this proposed rule change would not result in any substantive or textual changes to its rules or its restructured operations, SCCP will continue to offer the same services as it has been since the 1997 rule changes took affect. Specifically, SCCP will continue to offer trade confirmation and recording services to Phlx members effecting transactions through what SCCP refers to as regional interface operations ("RIO") accounts

<sup>3</sup> This Agreement was executed in connection with Phlx's withdrawal from the securities depository business (offered by its wholly-owned subsidiary, Philadep) and Phlx's restructured and limited clearance and settlement business (offered by its wholly-owned subsidiary, SCCP).

<sup>4</sup> Securities Exchange Act Release No. 39444 (Dec. 11, 1997), 62 FR 66703 (Dec. 19, 1997) [File Nos. SR-TC-97-16, SR-NSCC-97-08, SR-Philadep-97-04, and SR-SCCP-97-04].

<sup>5</sup> At that time, the Commission stated that "because a part of SCCP's proposed rule change concerns the restructuring of SCCP's operations to enable SCCP to offer limited clearing and settlement services to certain Phlx members, the Commission finds that it is appropriate to grant only temporary approval to the portion of SCCP's proposed rule change that amends SCCP's By-Laws, Rules, or Procedures. This will allow the Commission and SCCP to see how well SCCP's restructured operations are functioning under actual working conditions and to determine whether any adjustments are necessary. Thus, the Commission is approving the portion of SCCP's proposal that amends its By-Laws, Rules and Procedures through Dec. 31, 1998."

<sup>6</sup> Securities Exchange Act Release Nos. 40872 (Dec. 31, 1998), 64 FR 1264 (Jan. 8, 1999) [File No. SR-SCCP-98-05]; 42320 (Jan. 6, 2000), 65 FR 2218 (Jan. 13, 2000) [File No. SR-SCCP-99-04]; 43781 (Dec. 28, 2000), 66 FR 1167 (Jan. 5, 2001) [File No. SR-SCCP-00-05]; 45227 (Jan. 3, 2002), 67 FR 1259 (Jan. 9, 2002) [File No. SR-SCCP-2001-11]; and 47016 (Dec. 17, 2000), 67 FR 78556 (Dec. 24, 2002) [File No. SR-SCCP-2001-12].

and ex-clearing accounts. SCCP will not provide clearing guarantees for these transactions. In addition, SCCP will also continue to provide margin accounts for margin members that clear and settle their transactions through SCCP's Omnibus Clearance and Settlement Account at NSCC.<sup>7</sup>

### II. Discussion

Section 17A(b)(3)(F) of the Act<sup>8</sup> requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission finds that SCCP's proposed rule change is consistent with SCCP's obligations under section 17A(b)(3)(F) of the Act because permanently approving the rules relating to SCCP's restructured business should eliminate any uncertainty about and therefore provide greater confidence in SCCP's long-term ability and commitment to provide prompt and accurate clearance and settlement services to the securities industry. In addition, since the proposed rule change does not alter any of SCCP's rules or structure of its services and in light of SCCP's actual performance since 1997, SCCP should be able to provide for the prompt and accurate clearance and settlement of securities transactions.

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of section 17A of the Act<sup>9</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-SCCP-2003-04) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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<sup>7</sup> For a detailed discussion of the clearance and settlement services SCCP will continue to provide, refer to the notice, *supra* note 2.

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>9</sup> 15 U.S.C. 78q-1.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

## DEPARTMENT OF STATE

### [Public Notice 4575]

### Bureau of Educational and Cultural Affairs Request for Grant Proposals: Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women

**SUMMARY:** The Office of Academic Exchange Programs of the Bureau of Educational and Cultural Affairs announces an open competition for Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women. Public and private non-profit organizations meeting the provisions described in Internal Revenue Code section 26 U.S.C. 501(c)(3) may submit proposals to administer the participant preparation and support component of the Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women for participants from Algeria, Bahrain, Egypt, Iraq (excluding Iraqi expatriates), Israel (limited to the Israeli Arab sector), Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank/Gaza and Yemen. ECA anticipates supporting 40 participants with \$1,580,000 in funding through MEPI. Participants will be placed in three- or six-month management internships or three-month entry-level internships, depending on professional experience.

**Important Note:** This Request for Grant Proposals contains language in the "Shipment and Deadline for Proposals" section that is significantly different from that used in the past. Please pay special attention to procedural changes as outlined.

### Program Information

#### Overview

Subject to the availability of funds, the Bureau of Educational and Cultural Affairs (ECA) requests proposals for the administration of the participant preparation and support component of the Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women for participants from Algeria, Bahrain, Egypt, Iraq (excluding Iraqi expatriates), Israel (limited to the Israeli Arab sector), Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank/Gaza and Yemen. ECA anticipates supporting 40 participants with \$1,580,000 in funding through MEPI. Participants will be placed in three- or six-month management