

with the requirements of Section 6(b)(5) because the amendments will allow the Exchange to set levels of margin that more precisely represent the actual net risk of the option positions in the account and enable customers to implement these strategies more efficiently.

The Commission further finds elimination of the two-dollar standard exercise price interval limitation for listed options and elimination of the definition of "in-or-at-the-money" are consistent with the requirements of Section 6(b)(5). The rules changes should allow specialists and market makers to hedge risk related to their options positions while prohibiting trading in an underlying security that is not related to specialist or market making option activities, or that does not constitute a reasonable hedge.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (File No. SR-NYSE-2004-39), as amended, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52935; File No. SR-PCX-2005-127]

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

December 9, 2005.

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 November 25, 2005, the Pacific Exchange, Inc. ("PCX" 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. PCX has designated this proposal as one establishing or changing a due, fee, or other charge imposed by a self-

regulatory organization pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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

PCX proposes to amend its Schedule of Fees and Charges in order to include a provision that deals with royalty, or license fees, that are passed on to market participants on options trades that are part of an Option Strategy Execution.

The text of the proposed rule change is available on the Exchange's Internet Web site (<http://www.pacificex.com>), at the Exchange's principal office, and at the Commission's Public Reference Room.

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

PCX is proposing this change to the PCX Schedule of Rates and Charges so that the Exchange may continue to pass on the full amount of any royalty or license fees to trade participants, even when total transaction fees are capped in association with a defined Options Strategy Execution. PCX has established a cap on the transaction fees it charges to market participants that engage in certain strategy executions, as defined in the PCX Schedule of Fees and Charges. PCX represents that the cap was established because the referenced Options Strategy Executions are generally large volume trades done by professionals whose profit margins are generally narrow. The Exchange caps

the transaction fees associated with such executions at \$1,000 per strategy execution, with a monthly cap of \$50,000 per initiating firm.

Certain classes of options listed on PCX have as their underlying issue licensed products that carry a royalty fee on every contract traded. These fees are assessed by the issuing agency, and are not Exchange transaction fees. License fees, or royalty fees, that are charged to the Exchange are passed on to the actual participants executing the trade. Even though some of the fees are passed on, the fee cap would prevent PCX from recovering these fees in their entirety if they were to be included as transaction fees. If royalty fees are included as transaction fees, PCX would face the possibility of having to pay out substantial fees while the fee cap would limit the amount the Exchange would be able to pass on to trade participants. Because of the negative financial implications to the Exchange, PCX will not include license or royalty fees, which are passed on to trade participants in connection with trades that are done as part of an Options Strategy Execution, as part of the transaction fees counting towards both the \$1,000 per trade transaction fee cap and the \$50,000 per month fee cap.

2. Statutory Basis

The Exchange believes that proposal is consistent with Section 6(b) of the Act,⁵ in general, and Section 6(b)(4)⁶ in particular, in that it provides for the equitable allocation of dues, fees, and other charges among its members.

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 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

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁷ and

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

Rule 19b-4(f)(2)⁸ thereunder because it establishes or changes a due, fee, or other charge imposed by the Exchange. 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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-PCX-2005-127 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-9303. All submissions should refer to File Number SR-PCX-2005-127. 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, please use only one method. The Commission will post all comments on the Commissions Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 the filing also will be available for inspection and copying at the principal office of PCX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You

should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PCX-2005-127 and should be submitted on or before January 10, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,
Secretary.

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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 Pub. L. 104-13, the Paperwork Reduction Act of 1995, effective October 1, 1995. The information collection packages that may be included in this notice are for new information collections, approval of existing 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 quality, utility, and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Written comments and recommendations regarding the information collection(s) should be submitted to the OMB Desk Officer and the SSA Reports Clearance Officer. The information can be mailed and/or faxed to the individuals at the addresses and fax numbers listed below: (OMB), Office of Management and Budget, Attn: Desk Officer for SSA, Fax: 202-395-6974. (SSA), Social Security Administration, DCFAM, Attn: Reports Clearance Officer, 1333 Annex Building, 6401 Security Blvd., Baltimore, MD 21235, Fax: 410-965-6400.

I. The information collections listed below are pending at SSA and will be submitted to OMB within 60 days from the date of this notice. Therefore, your comments should be submitted to SSA within 60 days from the date of this

publication. You can obtain copies of the collection instruments by calling the SSA Reports Clearance Officer at 410-965-0454 or by writing to the address listed above.

1. Reporting Changes that Affect Your Social Security Payment—20 CFR 404.301-305, .310-311, .330-333, .335-.341, .350-352, .370-371, .401-402, .408(a), .421-425, .428-430, .434-437, .439-441, .446-447, .450-455, .468-0960-0073. SSA uses the information collected on Form SSA-1425 to determine continuing entitlement to Title II Social Security benefits and to determine the proper benefit amount. The respondents are Title II beneficiaries receiving SSA retirement, disability or survivor's auxiliary benefits who need to report an event that could affect payments.

Type of Request: Extension of an OMB-approved information collection.
Number of Respondents: 36,000.
Frequency of Response: 1.
Average Burden Per Response: 5 minutes.

Estimated Annual Burden: 3,000 hours.

2. Workers' Compensation/Public Disability Questionnaire—20 CFR 404.408-0960-0247. Section 224 of the Social Security Act provides for the reduction of disability insurance benefits (DIB) when the combination of DIB and any workers' compensation (WC) and/or certain Federal, State or local public disability benefits (PDB) exceeds 80% of the worker's predisability earnings. Form SSA-546 is used to collect the data necessary to determine whether or not the worker's receipt of WC/PDB payments will cause a reduction of DIB. The respondents are applicants for the Title II DIB.

Type of Request: Extension of an OMB-approved information collection.
Number of Respondents: 100,000.
Frequency of Response: 1.
Average Burden Per Response: 15 minutes.

Estimated Annual Burden: 25,000 hours.

3. Medicaid Use Report—20 CFR 416.268-0960-0267. The information required by this regulation is used by SSA to determine if an individual is entitled to special Title XVI Supplemental Security Income (SSI) payments and, consequently, to Medicaid benefits. The respondents are SSI recipients whose payments were stopped based on earnings.

Type of Request: Extension of an OMB-approved information collection.
Number of Respondents: 60,000.
Frequency of Response: 1.
Average Burden Per Response: 3 minutes.

⁸ 17 CFR 240.19b-4(f)(2).

⁹ 17 CFR 200.30-3(a)(12).