SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33–8225 and 34–47768/April 30, 2003]

Order Making Fiscal Year 2004 Annual Adjustments to the Fee Rates Applicable Under Section 6(b) of the Securities Act of 1933 and Sections 13(e), 14(g), 31(b), and 31(c) of the Securities Exchange Act of 1934

I. Background

The Commission collects fees under various provisions of the securities laws. Section 6(b) of the Securities Act of 1933 (''Securities Act'') requires the Commission to collect fees from issuers on the registration of securities.[1] Section 13(e) of the Securities Exchange Act of 1934 (''Exchange Act'') requires the Commission to collect fees on specified repurchases of securities.[2] Section 14(g) of the Exchange Act requires the Commission to collect fees on proxy solicitations and statements in corporate control transactions.[3] Finally, sections 31(b) and (c) of the Exchange Act require national securities exchanges and national securities associations, respectively, to pay fees on transactions in specified securities to the Commission.[4]

The Investor and Capital Markets Fee Relief Act (''Fee Relief Act'')[5] amended section 6(b) of the Securities Act and sections 13(e), 14(g), and 31 of the Exchange Act to require the Commission to make annual adjustments to the fee rates applicable under these sections for each of the fiscal years 2003 through 2011, and one final adjustment to fix the fee rates under these sections for fiscal year 2012 and beyond.[6]

II. Fiscal Year 2004 Annual Adjustment to the Fee Rates Applicable Under Section 6(b) of the Securities Act and Sections 13(e) and 14(g) of the Exchange Act

Paragraph 6(b)(5) of the Securities Act requires the Commission to make an annual adjustment to the fee rate applicable under paragraph 6(b) of the Securities Act in each of the fiscal years 2003 through 2011.[7] In those same fiscal years, paragraphs 13(e)(5) and 14(g)(5) of the Exchange Act require the Commission to adjust the fee rates under sections 13(e) and 14(g) to a rate that is equal to the rate that is applicable under section 6(b). In other words, the annual adjustment to the fee rate under section 6(b) of the Securities Act also sets the annual adjustment to the fee rates under sections 13(e) and 14(g) of the Exchange Act.

On April 29, 2002, the Commission issued an Order setting the fiscal year 2003 fee rate under paragraph 6(b) of the Securities Act at a rate of $80.90 per $1,000,000 of the maximum aggregate offering price at which securities are proposed to be offered.[8] This same fee rate applies to specified repurchases of securities under section 13(e) of the Exchange Act and proxy solicitations and statements in corporate control transactions under section 14(g) of the Exchange Act.

Paragraph 6(b)(5) sets forth the method for determining the annual adjustment to the fee rate under section 6(b) for fiscal year 2004. Specifically, the Commission must adjust the fee rate under section 6(b) to a ''rate that, when applied to the baseline estimate of the aggregate maximum offering prices for (fiscal year 2004), is reasonably likely to produce aggregate fee collections under (section 6(b)) that are equal to the target offsetting collection amount for (fiscal year 2004).'' That is, the adjusted rate is determined by dividing the ''target offsetting collection amount'' for fiscal year 2004 by the ''baseline estimate of the aggregate maximum offering prices'' for fiscal year 2004.

Paragraph 6(b)(11)(A) specifies that the ''target offsetting collection amount'' for fiscal year 2004 is $467,000,000.[9]

Paragraph 6(b)(11)(B) defines the ''baseline estimate of the aggregate maximum offering price'' for fiscal year 2004 as ''the baseline estimate of the aggregate maximum offering price at which securities are proposed to be offered pursuant to registration statements filed with the Commission during (fiscal year 2004) as determined by the Commission, after consultation with the Congressional Budget Office and the Office of Management and Budget * * *.''

To make the baseline estimate of the aggregate maximum offering price for fiscal year 2004, the Commission is using the same methodology it developed in consultation with the Congressional Budget Office (''CBO'') and Office of Management and Budget (''OMB'') for making projections of aggregate offering price for purposes of the fiscal year 2003 annual adjustment. Using this methodology, the Commission determines the ''baseline estimate of the aggregate maximum offering price'' for fiscal year 2004 to be $3,684,909,630,358.[10] Based on this estimate, the Commission calculates the annual adjustment for fiscal 2004 to be $126.70 per million. This adjusted fee rate applies to section 6(b) of the Securities Act, as well as to sections 13(e) and 14(g) of the Exchange Act.

III. Fiscal Year 2004 Annual Adjustment to the Fee Rates Applicable Under Sections 31(b) and (c) of the Exchange Act

Section 31(b) of the Exchange Act requires each national securities exchange to pay the Commission a fee at a rate, as adjusted by our order pursuant to paragraph 31(j)(2), which currently is $46.80 per million of the aggregate dollar amount of sales of specified securities transacted on the exchange.[11] Similarly, section 31(c) requires each national securities association to pay the Commission a fee at the same adjusted rate on the aggregate dollar amount of sales of specified securities transacted by or

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[1] 15 U.S.C. 77f(b).

[2] 15 U.S.C. 78m(e).

[3] 15 U.S.C. 78n(g).

[4] 15 U.S.C. 78ee(b) and (c). In addition, Section 31(d) of the Exchange Act requires the Commission to collect assessments from national securities exchanges and national securities associations for round turn transactions on security futures. 15 U.S.C. 78ee(d).

[5] Pub. L. No. 107–123, 115 Stat. 2390 (2002).

[6] *See* 15 U.S.C. 77f(b)(5), 77f(b)(6), 78m(e)(5), 78m(e)(6), 78n(g)(5), 78n(g)(6), 78ee(j)(1), and 78ee(j)(3). Paragraph 31(j)(2) of the Exchange Act, 15 U.S.C. 78ee(j)(2), also requires the Commission, in specified circumstances, to make a mid-year adjustment to the fee rates under sections 31(b) and (c) of the Exchange Act in fiscal years 2002 through 2011.

[7] The annual adjustments are designed to adjust the fee rate in a given fiscal year so that, when applied to the aggregate maximum offering price at which securities are proposed to be offered for the fiscal year, it is reasonably likely to produce total fee collections under Section 6(b) equal to the ''target offsetting collection amount'' specified in section 6(b)(11)(A) for that fiscal year.

[8] Order Making Fiscal 2003 Annual Adjustments to the Fee Rates Applicable Under Section 6(b) of the Securities Act of 1933 and Sections 13(e), 14(g), 31(b) and 31(c) of the Securities Exchange Act of 1934, Rel. No. 33–8095 (April 29, 2002), 67 FR 22126 (May 2, 2002).

[9] Congress determined the target offsetting collection amounts by applying reduced fee rates to the CBO's January 2001 projections of the aggregate maximum offering prices for fiscal years 2002 through 2011. In any fiscal year through fiscal year 2011, the annual adjustment mechanism will result in additional fee rate reductions if the CBO's January 2001 projection of the aggregate maximum offering prices for the fiscal year proves to be too

low, and fee rate increases if the CBO's January 2001 projection of the aggregate maximum offering prices for the fiscal year proves to be too high.

[10] Appendix A explains how we determined the ''baseline estimate of the aggregate maximum offering price'' for fiscal year 2004 using our methodology, and then shows the purely arithmetical process of calculating the fiscal year 2004 annual adjustment based on that estimate. The appendix includes the data used by the Commission in making its ''baseline estimate of the aggregate maximum offering price'' for fiscal year 2004.

[11] Order Making Fiscal 2003 Mid-Year Adjustment to the Fee Rates Applicable Under Sections 31(b) and (c) of the Securities Exchange Act of 1934, Rel. No. 34–47425 (February 28, 2003), 68 FR 10926 (March 6, 2003).

through any member of the association otherwise than on an exchange. Paragraph 31(j)(1) requires the Commission to make annual adjustments to the fee rates applicable under sections 31(b) and (c) for each of the fiscal years 2003 through 2011.[12]

Paragraph 31(l)(1) specifies that the "target offsetting collection amount" for fiscal year 2004 is $1,028,000,000.[13] Paragraph 31(l)(2) defines the "baseline estimate of the aggregate dollar amount of sales" as "the baseline estimate of the aggregate dollar amount of sales of securities * * * to be transacted on each national securities exchange and by or through any member of each national securities association (otherwise than on a national securities exchange) during (fiscal year 2004) as determined by the Commission, after consultation with the Congressional Budget Office and the Office of Management and Budget * * *."

To make the baseline estimate of the aggregate dollar amount of sales for fiscal year 2004, the Commission is using the same methodology it developed in consultation with the CBO and OMB for making projections of dollar volume for purposes of prior fee adjustments.[14] Using this methodology, the Commission calculates the baseline estimate of the aggregate dollar amount

of sales for fiscal year 2004 to be $25,918,721,642,549. Based on this estimate, and an estimated collection of $19,182 in assessments on securities futures products in fiscal year 2004, the uniform adjusted rate is $39.00 per million.[15]

IV. Effective Dates of the Annual Adjustments

Subparagraph 6(b)(8)(A) of the Securities Act provides that the fiscal year 2004 annual adjustment to the fee rate applicable under section 6(b) of the Securities Act shall take effect on the later of October 1, 2003, or five days after the date on which a regular appropriation to the Commission for fiscal year 2004 is enacted.[16] Subparagraphs 13(e)(8)(A) and 14(g)(8)(A) of the Exchange Act provide for the same effective date for the annual adjustments to the fee rates applicable under sections 13(e) and 14(g) of the Exchange Act.[17]

Subparagraph 31(j)(4)(A) of the Exchange Act provides that the fiscal year 2004 annual adjustments to the fee rates applicable under sections 31(b) and (c) of the Exchange Act shall take effect on the later of October 1, 2003, or thirty days after the date on which a regular appropriation to the Commission for fiscal year 2004 is enacted.

V. Conclusion

Accordingly, pursuant to section 6(b) of the Securities Act and sections 13(e), 14(g) and 31 of the Exchange Act,[18]

It is hereby ordered that the fee rates applicable under section 6(b) of the Securities Act and sections 13(e) and 14(g) of the Exchange Act shall be $126.70 per million effective on the later of October 1, 2003, or five days after the date on which a regular appropriation to the Commission for fiscal year 2004 is enacted; and

It is further ordered that the fee rates applicable under sections 31(b) and (c) of the Exchange Act shall be $39.00 per million effective on the later of October 1, 2003, or thirty days after the date on which a regular appropriation to the Commission for fiscal year 2004 is enacted.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

Appendix A

With the passage of the Investor and Capital Markets Relief Act, Congress has established a target amount of monies to be collected from fees charged to issuers based on the value of their registrations. This appendix provides the formula for determining such fees, which the Commission adjusts annually. Congress has mandated that the Commission determine these fees based on the "aggregate maximum offering prices," which measures the aggregate dollar amount of securities registered with the SEC over the course of the year. In order to maximize the likelihood that the amount of monies targeted by Congress will be collected, the fee rate must be set to reflect projected aggregate maximum offering prices. As a percentage, the fee rate equals the ratio of the target amounts of monies to the projected aggregate maximum offering prices.

For 2004, the Commission has estimated the aggregate maximum offering prices by projecting forward the trend established in the previous decade. More specifically, an ARIMA model was used to forecast the value of the aggregate maximum offering prices for months subsequent to March 2003, the last month for which the Commission has data on the aggregate maximum offering prices.

The following sections describe this process in detail.

A. Baseline Estimate of the Aggregate Maximum Offering Prices for Fiscal Year 2004

First, calculate the aggregate maximum offering prices (AMOP) for each month in the sample (March 1993–March 2003). Next, calculate the percentage change in the AMOP from month-to-month.

Model the monthly percentage change in AMOP as a first order moving average process. The moving average approach allows one to model the effect that an exceptionally high (or low) observation of AMOP tends to be followed by a more "typical" value of AMOP.

Use the estimated moving average model to forecast the monthly percent change in AMOP. These percent changes can then be applied to obtain forecasts of the total dollar value of registrations. The following is a more formal (mathematical) description of the procedure:

1. Begin with the monthly data for AMOP. The sample spans ten years, from March 1993 to March 2003. There are 6 months in the sample for which the data are ommited because of the impact of extraordinary events (*e.g.*, the 1995 government shutdown).

2. Divide each month's AMOP (column C) by the number of trading days in that month (column B) to obtain the average daily AMOP (AAMOP, column D).

3. For each month t, the natural logarithm of AAMOP is reported in column E.

4. Calculate the change in log(AAMOP) from the previous month as $\Delta_t = \log(AAMOP_t) - \log(AAMOP_{t-1})$. This approximates the percentage change.

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[12] The annual adjustments, as well as the mid-year adjustments required in specified circumstances under paragraph 31(j)(2) in fiscal years 2002 through 2011, are designed to adjust the fee rates in a given fiscal year so that, when applied to the aggregate dollar volume of sales for the fiscal year, they are reasonably likely to produce total fee collections under section 31 equal to the "target offsetting collection amount" specified in section 31(*l*)(1) for that fiscal year.
specifies the method for determining the annual adjustment for fiscal year 2004. Specifically, the Commission must adjust the rates under sections 31(b) and (c) to a "uniform adjusted rate that, when applied to the baseline estimate of the aggregate dollar amount of sales for (fiscal year 2004), is reasonably likely to produce aggregate fee collections under (section 31) (including assessments collected under (section 31(d))) that are equal to the target offsetting collection amount for (fiscal year 2004)."

[13] Congress determined the target offsetting collection amounts by applying reduced fee rates to the CBO's January 2001 projections of dollar volume for fiscal years 2002 through 2011. In any fiscal year through fiscal year 2011, the annual and, in specified circumstances, mid-year adjustment mechanisms will result in additional fee rate reductions if the CBO's January 2001 projection of dollar volume for the fiscal year proves to be too low, and fee rate increases if the CBO's January 2001 projection of dollar volume for the fiscal year proves to be too high.

[14] Appendix B explains how we determined the "baseline estimate of the aggregate dollar amount of sales" for fiscal year 2004 using our methodology, and then shows the purely arithmetical process of calculating the fiscal year 2004 annual adjustment based on that estimate. The appendix also includes the data used by the Commission in making its "baseline estimate of the aggregate dollar amount of sales" for fiscal year 2004.

[15] The calculation of the adjusted fee rate assumes that the current fee rate of $46.80 per million will apply through October 31st due to the operation of the effective date provision contained in subparagraph 31(j)(4)(A) of the Exchange Act.

[16] 15 U.S.C. 77f(b)(8)(A).

[17] 15 U.S.C. 78m(e)(8)(A) and 78n(g)(8)(A).

[18] 15 U.S.C. 77f(b), 78m(e), 78n(g), and 78ee(j).

5. Estimate the first order moving average model $\Delta_t = \alpha + \beta e_{t-1} + e_t$, where e_t denotes the forecast error for month t. The forecast error is simply the difference between the one-month ahead forecast and the actual realization of Δ_t. The forecast error is expressed as $e_t = \Delta_t \beta e_{t-1}$. The model can be estimated using standard commercially available software such as SAS or Eviews. Using least squares, the estimated parameter values are $\alpha = 0.01048$ and $\beta = -0.76442$.

6. For the month of April 2003, forecast $\Delta_{t=4/03} = \alpha + \beta e_{t=3/03}$. For all subsequent months, forecast $\Delta_t = \alpha$.

7. Calculate forecasts of log(AAMOP). For example, the forecast of log(AAMOP) for June 2002 is given by FLAAMOP $_{t=6/02} = $log(AAMOP $_{t=3/02}$)$+\Delta_{t=4/02} +\Delta_{t= 5/02} + \Delta_{t = 6/02}$.

8. Under the assumption that e_t is normally distributed, the n-step ahead forecast of AAMOP is given by $\exp(FLAAMOP_t + \sigma_n^2/2)$, where σ_n denotes the standard error of the n-step ahead forecast.

9. For June 2003, this gives a forecast AAMOP of $12.8 Billion (Column I), and a forecast AMOP of $269.5 Billion (Column J).

10. Iterate this process through September 2004 to obtain a baseline estimate of the aggregate maximum offering prices for fiscal year 2004 of $3,684,909,630,358.

B. Using the Forecasts From A to Calculate the New Fee Rate

1. Using the data from Table A, estimate the aggregate maximum offering prices between 10/1/03 and 9/30/04 to be $3,684,909,630,358.

2. The rate necessary to collect the target $467,000,000 in fee revenues set by Congress is then calculated as: $467,000,000 ÷ $3,684,909,630,358 = 0.00012670 (or $126.70 per million).

Table A. Estimation of baseline of aggregate maximum offering prices .

Fee rate calculation.

a. Baseline estimate of the aggregate maximum offering prices, 10/1/02 to 9/30/03 ($Millions)	3,684,910
b. Implied fee rate ($467 Million / a)	$126.70

Data

(A) Month	(B) # of Trading Days in Month	(C) Aggregate Maximum Offering Prices, in $Millions	(D) Average Daily Aggregate Max. Offering Prices (AAMOP) in $Millions	(E) log(AAMOP)	(F) Change in AAMOP	(G) Forecast log(AAMOP)	(H) Standard Error	(I) Forecast AAMOP	(J) Forecast Aggregate Maximum Offering Prices, in $Millions
Mar-93	23	100,585	4,373	22.199					
Apr-93	21	67,712	3,224	21.894	-0.305				
May-93	20	98,590	4,929	22.319	0.424				
Jun-93	22	54,357	2,471	21.628	-0.691				
Jul-93	21	82,514	3,929	22.092	0.464				
Aug-93	22								
Sep-93	21								
Oct-93	21	49,664	2,365	21.584					
Nov-93	21	45,360	2,160	21.493	-0.091				
Dec-93	22	67,717	3,078	21.848	0.354				
Jan-94	21	56,998	2,714	21.722	-0.126				
Feb-94	19	56,104	2,953	21.806	0.084				
Mar-94	23	105,914	4,605	22.250	0.444				
Apr-94	19								
May-94	21	78,564	3,741	22.043					
Jun-94	22	94,814	4,310	22.184	0.141				
Jul-94	20	65,628	3,281	21.912	-0.273				
Aug-94	23	75,874	3,299	21.917	0.005				
Sep-94	21	139,422	6,639	22.616	0.699				
Oct-94	21	144,953	6,903	22.655	0.039				
Nov-94	21	73,625	3,506	21.978	-0.677				
Dec-94	21	74,903	3,567	21.995	0.017				
Jan-95	21	86,714	4,129	22.141	0.146				
Feb-95	19	102,999	5,421	22.414	0.272				
Mar-95	23	91,561	3,981	22.105	-0.309				
Apr-95	19	62,518	3,290	21.914	-0.190				
May-95	22	106,333	4,833	22.299	0.385				

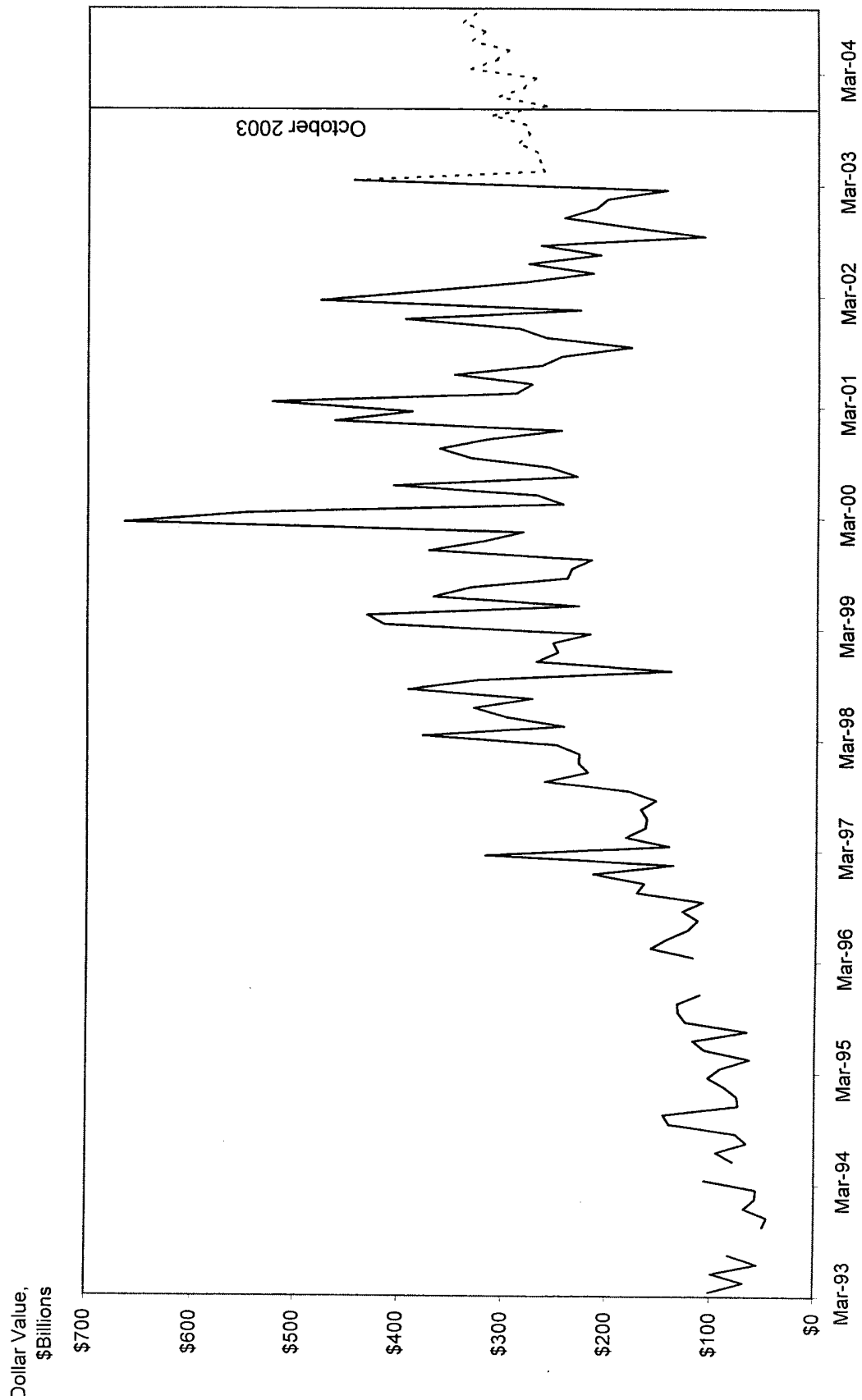| (A) Month	(B) # of Trading Days in Month	(C) Aggregate Maximum Offering Prices, in $Millions	(D) Average Daily Aggregate Max. Offering Prices (AAMOP) in $Millions	(E) log(AAMOP)	(F) Change in AAMOP	(G) Forecast log(AAMOP)	(H) Standard Error	(I) Forecast AAMOP	(J) Forecast Aggregate Maximum Offering Prices, in $Millions
Jun-95	22	117,557	5,344	22.399	0.100				
Jul-95	20	65,127	3,256	21.904	-0.495				
Aug-95	23	124,662	5,420	22.413	0.510				
Sep-95	20	131,774	6,589	22.609	0.195				
Oct-95	22	132,141	6,006	22.516	-0.093				
Nov-95	21	110,646	5,269	22.385	-0.131				
Dec-95	20								
Jan-96	22								
Feb-96	20								
Mar-96	21	117,780	5,609	22.448					
Apr-96	21	158,005	7,524	22.741	0.294				
May-96	22	142,452	6,475	22.591	-0.150				
Jun-96	20	122,598	6,130	22.536	-0.055				
Jul-96	22	113,637	5,165	22.365	-0.171				
Aug-96	22	128,154	5,825	22.485	0.120				
Sep-96	20	108,763	5,438	22.417	-0.069				
Oct-96	23	171,507	7,457	22.732	0.316				
Nov-96	20	164,574	8,229	22.831	0.098				
Dec-96	21	214,241	10,202	23.046	0.215				
Jan-97	22	136,615	6,210	22.549	-0.496				
Feb-97	19	317,624	16,717	23.540	0.990				
Mar-97	20	140,809	7,040	22.675	-0.865				
Apr-97	22	182,657	8,303	22.840	0.165				
May-97	21	163,702	7,795	22.777	-0.063				
Jun-97	21	162,111	7,720	22.767	-0.010				
Jul-97	22	168,007	7,637	22.756	-0.011				
Aug-97	21	153,705	7,319	22.714	-0.042				
Sep-97	21	179,559	8,550	22.869	0.155				
Oct-97	23	260,719	11,336	23.151	0.282				
Nov-97	19	219,618	11,559	23.171	0.020				
Dec-97	22	228,605	10,391	23.064	-0.106				
Jan-98	20	228,030	11,402	23.157	0.093				
Feb-98	19	250,266	13,172	23.301	0.144				
Mar-98	22	378,185	17,190	23.568	0.266				

(A) Month	(B) # of Trading Days in Month	(C) Aggregate Maximum Offering Prices, in $Millions	(D) Average Daily Aggregate Max. Offering Prices (AAMOP) in $Millions	(E) log(AAMOP)	(F) Change in AAMOP	(G) Forecast log(AAMOP)	(H) Standard Error	(I) Forecast AAMOP	(J) Forecast Aggregate Maximum Offering Prices, in $Millions
Apr-98	21	242,310	11,539	23.169	-0.399				
May-98	20	298,454	14,923	23.426	0.257				
Jun-98	22	328,994	14,954	23.428	0.002				
Jul-98	22	272,957	12,407	23.242	-0.187				
Aug-98	21	392,104	18,672	23.650	0.409				
Sep-98	21	325,144	15,483	23.463	-0.187				
Oct-98	22	139,786	6,354	22.572	-0.891				
Nov-98	20	269,065	13,453	23.322	0.750				
Dec-98	22	248,596	11,300	23.148	-0.174				
Jan-99	19	253,448	13,339	23.314	0.166				
Feb-99	19	217,433	11,444	23.161	-0.153				
Mar-99	23	415,145	18,050	23.616	0.456				
Apr-99	21	431,280	20,537	23.746	0.129				
May-99	20	229,082	11,454	23.162	-0.584				
Jun-99	22	367,943	16,725	23.540	0.379				
Jul-99	21	332,623	15,839	23.486	-0.054				
Aug-99	22	240,157	10,916	23.114	-0.372				
Sep-99	21	236,011	11,239	23.143	0.029				
Oct-99	21	216,883	10,328	23.058	-0.085				
Nov-99	21	372,582	17,742	23.599	0.541				
Dec-99	22	319,846	14,538	23.400	-0.199				
Jan-00	20	282,165	14,108	23.370	-0.030				
Feb-00	20	665,367	33,268	24.228	0.858				
Mar-00	23	550,107	23,918	23.898	-0.330				
Apr-00	19	244,510	12,869	23.278	-0.620				
May-00	22	269,774	12,262	23.230	-0.048				
Jun-00	22	406,409	18,473	23.640	0.410				
Jul-00	20	230,894	11,545	23.169	-0.470				
Aug-00	23	257,797	11,209	23.140	-0.030				
Sep-00	20	332,120	16,606	23.533	0.393				
Oct-00	22	362,493	16,477	23.525	-0.008				
Nov-00	21	317,653	15,126	23.440	-0.086				
Dec-00	20	246,006	12,300	23.233	-0.207				
Jan-01	21	462,726	22,035	23.816	0.583				

(A) Month	(B) # of Trading Days in Month	(C) Aggregate Maximum Offering Prices, in $Millions	(D) Average Daily Aggregate Max. Offering Prices (AAMOP) in $Millions	(E) log(AAMOP)	(F) Change in AAMOP	(G) Forecast log(AAMOP)	(H) Standard Error	(I) Forecast AAMOP	(J) Forecast Aggregate Maximum Offering Prices, in $Millions
Feb-01	19	388,304	20,437	23.741	-0.075				
Mar-01	22	523,443	23,793	23.893	0.152				
Apr-01	20	289,212	14,461	23.395	-0.498				
May-01	22	274,298	12,468	23.246	-0.148				
Jun-01	21	348,268	16,584	23.532	0.285				
Jul-01	21	264,590	12,600	23.257	-0.275				
Aug-01	23	245,591	10,678	23.091	-0.165				
Sep-01	15	178,524	11,902	23.200	0.108				
Oct-01	23	260,719	11,336	23.151	-0.049				
Nov-01	21	286,199	13,629	23.335	0.184				
Dec-01	20	395,230	19,762	23.707	0.372				
Jan-02	21	227,893	10,852	23.108	-0.599				
Feb-02	19	476,837	25,097	23.946	0.838				
Mar-02	20	380,160	19,008	23.668	-0.278				
Apr-02	22	282,947	12,861	23.277	-0.391				
May-02	22	215,645	9,802	23.006	-0.272				
Jun-02	20	277,757	13,888	23.354	0.348				
Jul-02	22	208,638	9,484	22.973	-0.381				
Aug-02	22	265,750	12,080	23.215	0.242				
Sep-02	20	109,565	5,478	22.424	-0.791				
Oct-02	23	179,374	7,799	22.777	0.353				
Nov-02	20	243,590	12,179	23.223	0.446				
Dec-02	21	212,838	10,135	23.039	-0.184				
Jan-03	21	201,839	9,611	22.986	-0.053				
Feb-03	19	144,642	7,613	22.753	-0.233				
Mar-03	21	444,331	21,159	23.775	1.022				
Apr-03	21					23.201	0.312	12,502	262,533
May-03	21					23.211	0.320	12,667	266,014
Jun-03	21					23.222	0.328	12,835	269,541
Jul-03	22					23.232	0.336	13,005	286,121
Aug-03	21					23.243	0.344	13,178	276,736
Sep-03	21					23.253	0.352	13,353	280,406
Oct-03	23					23.263	0.360	13,530	311,183
Nov-03	19					23.274	0.367	13,709	260,473

(A) Month	(B) # of Trading Days in Month	(C) Aggregate Maximum Offering Prices, in $Millions	(D) Average Daily Aggregate Max. Offering Prices (AAMOP) in $Millions	(E) log(AAMOP)	(F) Change in AAMOP	(G) Forecast log(AAMOP)	(H) Standard Error	(I) Forecast AAMOP	(J) Forecast Aggregate Maximum Offering Prices, in $Millions
Dec-03	22					23.284	0.374	13,891	305,599
Jan-04	20					23.295	0.381	14,075	281,501
Feb-04	19					23.305	0.388	14,262	270,972
Mar-04	23					23.316	0.395	14,451	332,367
Apr-04	21					23.326	0.402	14,642	307,490
May-04	20					23.337	0.409	14,837	296,730
Jun-04	22					23.347	0.415	15,033	330,731
Jul-04	21					23.358	0.422	15,233	319,883
Aug-04	22					23.368	0.428	15,435	339,559
Sep-04	21					23.379	0.434	15,639	328,422

Figure A

Aggregate Maximum Offering Prices Subject to Securities Act Section 6(b)
(Dashed Line Indicates Forecast Values)

Appendix B

With the passage of the Investor and Capital Markets Relief Act, Congress has established a target amount of monies to be collected from fees charged to investors based on the value of their transactions. This appendix provides the formula for determining such fees, which the Commission adjusts annually, and may adjust semi-annually.[1] In order to maximize the likelihood that the amount of monies targeted by Congress will be collected, the fee rate must be set to reflect projected dollar transaction volume on the securities exchanges and the Nasdaq over the course of the year. As a percentage, the fee rate equals the ratio of the target amounts of monies to the projected dollar transaction volume.

For 2004, the Commission has estimated dollar transaction volume by projecting forward the trend established in the previous decade. More specifically, dollar transaction volume was forecasted for months subsequent to March 2003, the last month for which the Commission has data on transaction volume.

The following sections describe this process in detail.

A. Baseline Estimate of the Aggregate Dollar Amount of Sales for Fiscal Year 2004

First, calculate the average daily dollar amount of sales (ADS) for each month in the sample (March 1993–March 2003). The data obtained from the exchanges and Nasdaq are presented in Table B. The monthly aggregate dollar amount of sales (exchange plus Nasdaq) is contained in column E.

Next, calculate the change in the natural logarithm of ADS from month-to-month. The

average monthly percentage growth of ADS over the entire sample is 0.014 and the standard deviation 0.115. Assuming the monthly percentage change in ADS follows a random walk, calculating the expected monthly percentage growth rate for the full sample is straightforward. The expected monthly percentage growth rate of ADS is 2.0 percent.

Now, use the expected monthly percentage growth rate to forecast total dollar volume. For example, one can use the ADS for March 2003 ($79,400,010,175) to forecast ADS for April 2003 ($81,017,133,678 = $79,400,010,175 x 1.020).[2] Multiply by the number of trading days in April 2003 (21) to obtain a forecast of the total dollar volume for the month ($1,701,359,807,234). Repeat the method to generate forecasts for subsequent months.

The forecasts for total dollar volume are in column I of Table A. The following is a more formal (mathematical) description of the procedure:

1. Divide each month's total dollar volume (column E) by the number of trading days in that month (column B) to obtain the average daily dollar volume (ADS, column F).

2. For each month t, calculate the change in ADS from the previous month as $\Delta_t = \log (ADS_t/ADS_{t-1})$, where $\log (x)$ denotes the natural logarithm of x.

3. Calculate the mean and standard deviation of the series $\{\Delta_1, \Delta_2, ..., \Delta_{120}\}$. These are given by $\mu = 0.014$ and $\sigma = 0.115$, respectively.

4. Assume that the natural logarithm of ADS follows a random walk, so that Δ_s and Δ_t are statistically independent for any two months s and t.

5. Under the assumption that Δ_t is normally distributed, the expected value of ADS_t

/ADS_{t-1} is given by $\exp (\mu + \sigma^2/2)$, or on average $ADS_t = 1.020 \times ADS_{t-1}$.

6. For April 2003, this gives a forecast ADS of $1.020 \times \$79,400,010,175 = \$81,017,133,678$. Multiply this figure by the 21 trading days in April 2003 to obtain a total dollar volume forecast of $1,701,359,807,234.

7. For May 2003, multiply the April 2003 ADS forecast by 1.020 to obtain a forecast ADS of $82,667,192,799. Multiply this figure by the 21 trading days in May 2003 to obtain a total dollar volume forecast of $1,736,011,048,776.

8. Repeat this procedure for subsequent months.

B. Using the Forecasts From A To Calculate the New Fee Rate

1. Use Table B to estimate fees collected for the period 10/1/03 through 10/31/03. The projected aggregate dollar amount of sales for this period is $2,103,016,143,001. Projected fee collections at the current fee rate of 0.0000468 are $98,421,155.

2. Estimate the amount of assessments on securities futures products collected during 10/1/03 and 9/30/04 to be $19,182 by projecting a 2% monthly increase from a base of $1,245 in March 2003.

3. Subtract the amounts $98,421,155 and $19,182 from the target offsetting collection amount set by Congress of $1,028,000,000 leaving $929,559,663 to be collected on dollar volume for the period 11/1/03 through 9/30/04.

4. Use Table B to estimate dollar volume for the period 11/1/03 through 9/30/04. The estimate is $23,815,705,499,548. Finally, compute the fee rate required to produce the additional $929,559,663 in revenue. This rate is $929,559,663 divided by $23,815,705,499,548 or .0000390314.

5. Consistent with the system requirements of the exchanges and the NASD, round the result to the seventh decimal point, yielding a rate of .0000390 (or $39.00 per million).

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[1] Congress requires that the Commission make a mid-year adjustment to the fee rate if 4 months into the fiscal year it determines that its forecasts of aggregate dollar volume are reasonably likely to be off by 10% or more.

[2] The value 1.020 has been rounded. All computations are done with the unrounded value.

Table B. Estimation of baseline of the aggregate dollar amount of sales.
(Methodology developed in consultation with the Office of Management and Budget and the Congressional Budget Office.)

Fee rate calculation.

a. Baseline estimate of the aggregate dollar amount of sales, 10/1/03 to 10/31/03 ($Millions)	2,103,016
b. Baseline estimate of the aggregate dollar amount of sales, 11/1/03 to 9/30/04 ($Millions)	23,815,705
c. Estimated collections in assessments on securities futures products in FY 2004 ($Millions)	0.019
d. Implied fee rate (($1,028,000,000 - 0.0000468*a - c) /b)	$39.0

Data

(A) Month	(B) # of Trading Days in Month	(C) Exchange-Listed Dollar Amount of Sales	(D) Nasdaq Dollar Amount of Sales	(E) Aggregate Dollar Amount of Sales	(F) Average Daily Dollar Amount of Sales (ADS)	(G) Change in LN of ADS	(H) Forecast ADS	(I) Forecast Aggregate Dollar Amount of Sales
Mar-93	23	254,153,083,005	104,714,261,000	358,867,344,005	15,602,928,000	-		
Apr-93	21	259,894,323,029	101,842,746,000	361,737,069,029	17,225,574,716	0.099		
May-93	20	228,370,238,902	103,225,212,000	331,595,450,902	16,579,772,545	-0.038		
Jun-93	22	223,269,586,987	105,819,661,000	329,089,247,987	14,958,602,181	-0.103		
Jul-93	21	228,189,513,167	101,802,827,000	329,992,340,167	15,713,920,960	0.049		
Aug-93	22	240,087,999,028	117,600,923,000	357,688,922,028	16,258,587,365	0.034		
Sep-93	21	243,134,952,411	117,640,918,000	360,775,870,411	17,179,803,353	0.055		
Oct-93	21	275,653,273,040	139,364,838,000	415,018,111,040	19,762,767,192	0.140		
Nov-93	21	280,909,537,581	127,345,828,000	408,255,365,581	19,440,731,694	-0.016		
Dec-93	22	268,471,426,906	114,885,343,000	383,356,769,906	17,425,307,723	-0.109		
Jan-94	21	277,615,393,351	137,551,072,000	415,166,465,351	19,769,831,683	0.126		
Feb-94	19	281,053,587,314	122,882,920,000	403,936,507,314	21,259,816,174	0.073		
Mar-94	23	316,713,498,173	151,177,373,000	467,890,871,173	20,343,081,355	-0.044		
Apr-94	19	289,365,151,226	114,834,515,000	404,199,666,226	21,273,666,643	0.045		
May-94	21	241,278,516,490	112,318,747,000	353,597,263,490	16,837,964,928	-0.234		
Jun-94	22	245,067,967,632	112,555,736,000	357,623,703,632	16,255,622,892	-0.035		
Jul-94	20	221,511,138,952	100,563,525,000	322,074,663,952	16,103,733,198	-0.009		
Aug-94	23	255,511,795,450	127,675,353,000	383,187,148,450	16,660,310,802	0.034		
Sep-94	21	273,589,300,476	111,984,539,000	385,573,839,476	18,360,659,023	0.097		
Oct-94	21	266,363,537,805	129,089,800,000	395,453,337,805	18,831,111,324	0.025		
Nov-94	21	267,314,618,799	121,827,668,000	389,142,286,799	18,530,585,086	-0.016		
Dec-94	21	265,184,891,948	106,839,641,000	372,024,532,948	17,715,453,950	-0.045		
Jan-95	21	253,958,524,771	125,092,685,000	379,051,209,771	18,050,057,608	0.019		
Feb-95	19	263,486,075,035	125,574,811,000	389,060,886,035	20,476,888,739	0.126		
Mar-95	23	330,806,034,718	161,066,575,000	491,872,609,718	21,385,765,640	0.043		
Apr-95	19	285,586,213,818	149,741,420,000	435,327,633,818	22,911,980,727	0.069		
May-95	22	340,254,177,379	191,600,883,000	531,855,060,379	24,175,230,017	0.054		
Jun-95	22	376,703,055,609	197,629,158,000	574,332,213,609	26,106,009,710	0.077		
Jul-95	20	346,809,496,831	229,239,839,000	576,049,335,831	28,802,466,792	0.098		
Aug-95	23	327,435,391,060	243,203,335,000	570,638,726,060	24,810,379,394	-0.149		

Data

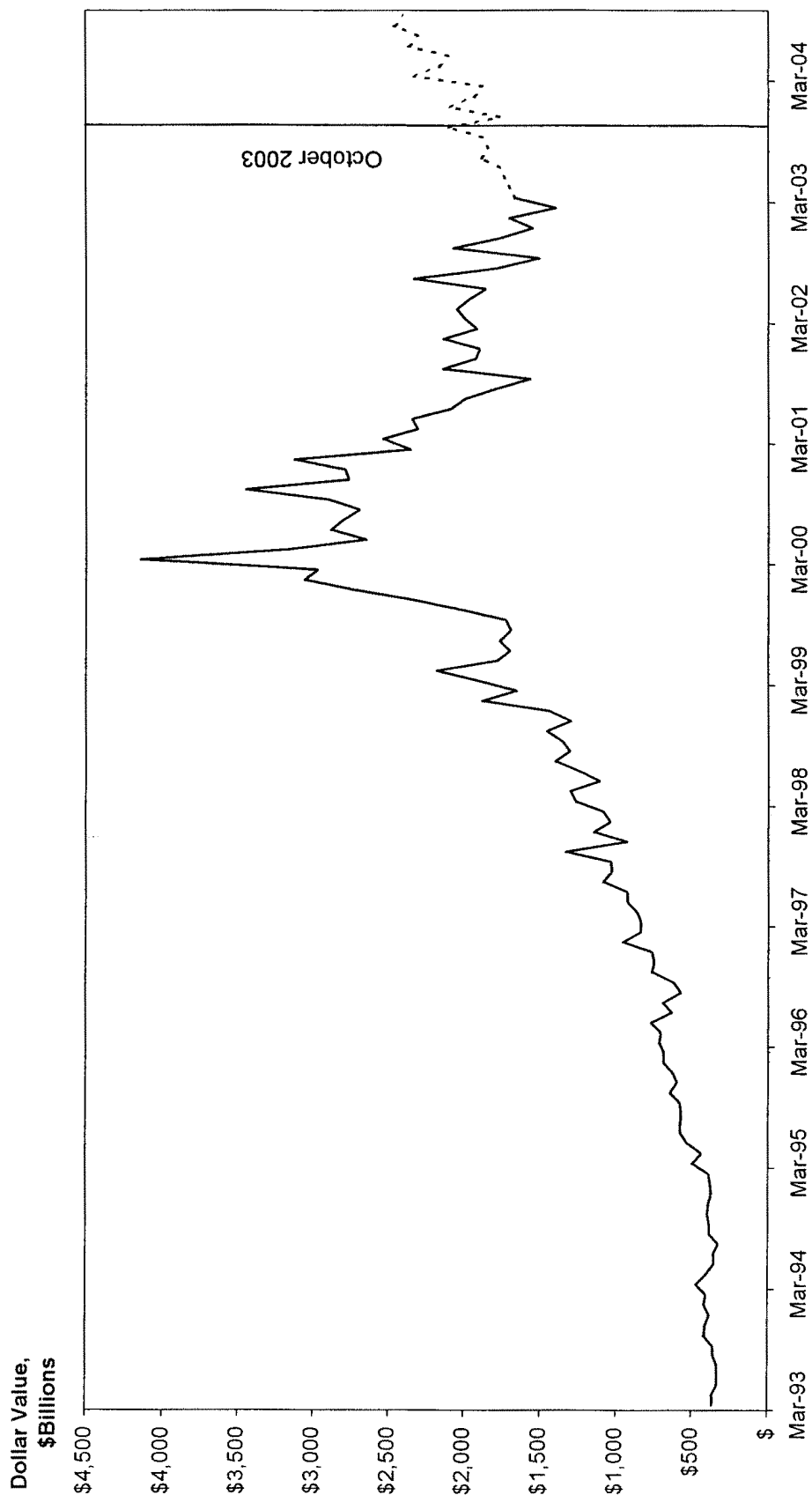| (A) Month	(B) # of Trading Days in Month	(C) Exchange-Listed Dollar Amount of Sales	(D) Nasdaq Dollar Amount of Sales	(E) Aggregate Dollar Amount of Sales	(F) Average Daily Dollar Amount of Sales (ADS)	(G) Change in LN of ADS	(H) Forecast ADS	(I) Forecast Aggregate Dollar Amount of Sales
Sep-95	20	352,176,019,676	225,957,920,000	578,133,939,676	28,906,696,984	0.153		
Oct-95	22	386,892,948,035	255,297,230,000	642,190,178,035	29,190,462,638	0.010		
Nov-95	21	340,868,134,565	255,556,416,000	596,424,550,565	28,401,169,075	-0.027		
Dec-95	20	386,356,222,037	238,254,219,000	624,610,441,037	31,230,522,052	0.095		
Jan-96	22	412,342,988,854	275,256,103,000	687,599,091,854	31,254,504,175	0.001		
Feb-96	20	432,110,721,273	255,121,750,000	687,232,471,273	34,361,623,564	0.095		
Mar-96	21	462,522,216,093	252,313,904,000	714,836,120,093	34,039,815,243	-0.009		
Apr-96	21	419,529,647,022	284,880,671,000	704,410,318,022	33,543,348,477	-0.015		
May-96	22	444,864,509,489	323,514,998,000	768,379,507,489	34,926,341,250	0.040		
Jun-96	20	364,047,300,223	267,051,480,000	631,098,780,223	31,554,939,011	-0.102		
Jul-96	22	405,998,331,384	282,430,397,000	688,428,728,384	31,292,214,927	-0.008		
Aug-96	22	347,207,351,036	222,902,421,000	570,109,772,036	25,914,080,547	-0.189		
Sep-96	20	361,752,600,688	255,491,281,000	617,243,881,688	30,862,194,084	0.175		
Oct-96	23	450,138,412,454	314,131,029,000	764,269,441,454	33,229,106,150	0.074		
Nov-96	20	468,499,807,419	279,994,893,000	748,494,700,419	37,424,735,021	0.119		
Dec-96	21	475,791,378,753	288,688,118,000	764,479,496,753	36,403,785,560	-0.028		
Jan-97	22	578,613,348,586	378,819,289,000	957,432,637,586	43,519,665,345	0.179		
Feb-97	19	500,101,991,446	337,072,192,000	837,174,183,446	44,061,799,129	0.012		
Mar-97	20	526,670,517,788	312,522,211,000	839,192,728,788	41,959,636,439	-0.049		
Apr-97	22	541,016,966,315	321,782,247,000	862,799,213,315	39,218,146,060	-0.068		
May-97	21	560,712,670,647	365,021,182,000	925,733,852,647	44,082,564,412	0.117		
Jun-97	21	590,497,004,859	339,912,081,000	930,409,085,859	44,305,194,565	0.005		
Jul-97	22	665,142,486,898	420,540,220,000	1,085,682,706,898	49,349,213,950	0.108		
Aug-97	21	646,260,997,751	385,083,141,000	1,031,344,138,751	49,111,625,655	-0.005		
Sep-97	21	636,729,800,602	399,730,444,000	1,036,460,244,602	49,355,249,743	0.005		
Oct-97	23	795,309,593,718	534,343,839,000	1,329,653,432,718	57,811,018,814	0.158		
Nov-97	19	614,656,941,587	311,360,937,000	926,017,878,587	48,737,783,084	-0.171		
Dec-97	22	771,801,485,199	375,503,531,000	1,147,305,016,199	52,150,228,009	0.068		
Jan-98	20	664,267,640,263	375,290,271,000	1,039,557,911,263	51,977,895,563	-0.003		
Feb-98	19	672,565,048,157	408,876,474,000	1,081,441,522,157	56,917,974,850	0.091		
Mar-98	22	798,277,192,905	464,862,662,000	1,263,139,854,905	57,415,447,950	0.009		
Apr-98	21	821,022,063,854	478,804,341,000	1,299,826,404,854	61,896,495,469	0.075		
May-98	20	717,711,593,246	392,290,631,000	1,110,002,224,246	55,500,111,212	-0.109		
Jun-98	22	781,193,541,641	464,886,854,000	1,246,080,395,641	56,640,017,984	0.020		
Jul-98	22	839,132,005,554	561,429,081,000	1,400,561,086,554	63,661,867,571	0.117		
Aug-98	21	811,893,940,585	494,696,509,000	1,306,590,449,585	62,218,592,837	-0.023		
Sep-98	21	899,363,115,702	452,978,456,000	1,352,341,571,702	64,397,217,700	0.034		
Oct-98	22	934,874,788,951	519,628,635,672	1,454,503,424,623	66,113,792,028	0.026		
Nov-98	20	761,843,293,678	534,735,697,587	1,296,578,991,265	64,828,949,563	-0.020		
Dec-98	22	831,906,512,838	610,078,427,246	1,441,984,940,084	65,544,770,004	0.011		

Data

(A) Month	(B) # of Trading Days in Month	(C) Exchange-Listed Dollar Amount of Sales	(D) Nasdaq Dollar Amount of Sales	(E) Aggregate Dollar Amount of Sales	(F) Average Daily Dollar Amount of Sales (ADS)	(G) Change in LN of ADS	(H) Forecast ADS	(I) Forecast Aggregate Dollar Amount of Sales
Jan-99	19	999,043,017,550	881,762,273,376	1,880,805,290,926	98,989,752,154	0.412		
Feb-99	19	881,206,542,866	771,821,519,115	1,653,028,061,981	87,001,476,946	-0.129		
Mar-99	23	1,064,559,310,307	845,323,661,356	1,909,882,971,663	83,038,390,072	-0.047		
Apr-99	21	1,200,826,668,871	974,846,639,668	2,175,673,308,539	103,603,490,883	0.221		
May-99	20	1,052,642,277,388	728,648,483,251	1,781,290,760,639	89,064,538,032	-0.151		
Jun-99	22	968,355,845,707	728,666,375,241	1,697,022,220,948	77,137,373,679	-0.144		
Jul-99	21	968,729,547,313	795,657,683,556	1,764,387,230,869	84,018,439,565	0.085		
Aug-99	22	909,861,580,448	782,763,893,461	1,692,625,473,909	76,937,521,541	-0.088		
Sep-99	21	886,209,235,286	842,754,416,364	1,728,963,651,650	82,331,602,460	0.068		
Oct-99	21	1,075,832,673,611	938,836,857,225	2,014,669,530,836	95,936,644,326	0.153		
Nov-99	21	1,125,441,492,744	1,218,999,895,936	2,344,441,388,681	111,640,066,128	0.152		
Dec-99	22	1,260,244,827,356	1,472,542,539,476	2,732,787,366,832	124,217,607,583	0.107		
Jan-00	20	1,293,751,986,296	1,759,510,466,949	3,053,262,453,245	152,663,122,662	0.206		
Feb-00	20	1,237,324,279,941	1,730,179,962,177	2,967,504,242,118	148,375,212,106	-0.028		
Mar-00	23	1,675,729,644,521	2,460,195,052,947	4,135,924,697,468	179,822,812,933	0.192		
Apr-00	19	1,429,668,149,369	1,739,658,625,584	3,169,326,774,953	166,806,672,366	-0.075		
May-00	22	1,273,774,500,287	1,374,100,073,878	2,647,874,574,166	120,357,935,189	-0.326		
Jun-00	22	1,283,603,525,223	1,594,692,767,334	2,878,296,292,557	130,831,649,662	0.083		
Jul-00	20	1,203,862,111,445	1,594,341,902,395	2,798,204,013,840	139,910,200,692	0.067		
Aug-00	23	1,211,624,989,972	1,481,001,529,902	2,692,626,519,874	117,070,718,255	-0.178		
Sep-00	20	1,261,317,634,976	1,631,936,332,356	2,893,253,967,332	144,662,698,367	0.212		
Oct-00	22	1,517,440,783,915	1,925,128,263,471	3,442,569,047,386	156,480,411,245	0.079		
Nov-00	21	1,290,090,415,114	1,473,929,732,217	2,764,020,147,331	131,620,007,016	-0.173		
Dec-00	20	1,367,739,635,585	1,419,735,645,693	2,787,475,281,277	139,373,764,064	0.057		
Jan-01	21	1,547,342,196,427	1,573,412,629,080	3,120,754,825,507	148,607,372,643	0.064		
Feb-01	19	1,223,669,743,506	1,130,494,302,446	2,354,164,045,952	123,903,370,840	-0.182		
Mar-01	22	1,454,524,517,280	1,080,912,409,264	2,535,436,926,544	115,247,133,025	-0.072		
Apr-01	20	1,312,755,897,976	991,843,272,797	2,304,599,170,773	115,229,958,539	0.000		
May-01	22	1,320,141,836,216	1,023,175,979,663	2,343,317,815,879	106,514,446,176	-0.079		
Jun-01	21	1,241,534,765,288	847,846,047,529	2,089,380,812,818	99,494,324,420	-0.068		
Jul-01	21	1,240,941,545,734	757,402,982,130	1,998,344,527,864	95,159,263,232	-0.045		
Aug-01	23	1,123,517,678,209	669,526,933,547	1,793,044,611,756	77,958,461,381	-0.199		
Sep-01	15	1,043,851,892,646	519,060,855,910	1,562,912,748,556	104,194,183,237	0.290		
Oct-01	23	1,351,211,787,946	787,768,976,829	2,138,980,764,774	92,999,163,686	-0.114		
Nov-01	21	1,171,816,695,877	757,448,489,572	1,929,265,185,449	91,869,770,736	-0.012		
Dec-01	20	1,164,263,577,969	738,526,447,576	1,902,790,025,545	95,139,501,277	0.035		
Jan-02	21	1,294,177,913,797	842,154,952,554	2,136,332,866,351	101,730,136,493	0.067		
Feb-02	19	1,265,307,420,067	651,569,612,254	1,916,877,032,322	100,888,264,859	-0.008		
Mar-02	20	1,391,162,363,106	604,393,572,668	1,995,555,935,774	99,777,796,789	-0.011		
Apr-02	22	1,423,341,268,698	627,529,687,636	2,050,870,956,335	93,221,407,106	-0.068		

Data

(A) Month	(B) # of Trading Days in Month	(C) Exchange-Listed Dollar Amount of Sales	(D) Nasdaq Dollar Amount of Sales	(E) Aggregate Dollar Amount of Sales	(F) Average Daily Dollar Amount of Sales (ADS)	(G) Change in LN of ADS	(H) Forecast ADS	(I) Forecast Aggregate Dollar Amount of Sales
May-02	22	1,387,204,537,442	580,513,560,084	1,967,718,097,526	89,441,731,706	-0.041		
Jun-02	20	1,343,182,817,662	519,384,103,360	1,862,566,921,021	93,128,346,051	0.040		
Jul-02	22	1,783,847,826,516	547,406,479,695	2,331,254,306,211	105,966,104,828	0.129		
Aug-02	22	1,367,525,107,081	415,631,867,486	1,783,156,974,567	81,052,589,753	-0.268		
Sep-02	20	1,139,710,089,326	365,913,379,195	1,505,623,468,521	75,281,173,426	-0.074		
Oct-02	23	1,557,604,059,315	515,148,025,791	2,072,752,085,106	90,119,655,874	0.180		
Nov-02	20	1,281,865,198,491	481,235,326,808	1,763,100,525,299	88,155,026,265	-0.022		
Dec-02	21	1,146,731,693,851	401,405,457,153	1,548,137,151,005	73,720,816,715	-0.179		
Jan-03	21	1,245,939,286,421	457,925,614,570	1,703,864,900,991	81,136,423,857	0.096		
Feb-03	19	1,067,577,486,535	329,615,981,358	1,397,193,467,893	73,536,498,310	-0.098		
Mar-03	21	1,271,564,391,307	395,835,822,368	1,667,400,213,675	79,400,010,175	0.077		
Apr-03	21						81,017,133,678	1,701,359,807,234
May-03	21						82,667,192,799	1,736,011,048,776
Jun-03	21						84,350,858,331	1,771,368,024,951
Jul-03	22						86,068,814,729	1,893,513,924,040
Aug-03	21						87,821,760,388	1,844,256,968,149
Sep-03	21						89,610,407,927	1,881,818,566,464
Oct-03	23						91,435,484,478	2,103,016,143,001
Nov-03	19						93,297,731,984	1,772,656,907,705
Dec-03	22						95,197,907,499	2,094,353,964,967
Jan-04	20						97,136,783,492	1,942,735,669,846
Feb-04	19						99,115,148,170	1,883,187,815,238
Mar-04	23						101,133,805,791	2,326,077,533,185
Apr-04	21						103,193,576,991	2,167,065,116,813
May-04	20						105,295,299,123	2,105,905,982,468
Jun-04	22						107,439,826,593	2,363,676,185,057
Jul-04	21						109,628,031,209	2,302,188,655,385
Aug-04	22						111,860,802,533	2,460,937,655,719
Sep-04	21						114,139,048,246	2,396,920,013,166

Figure B.

Aggregate Dollar Amount of Sales Subject to Exchange Act Sections 31(b) and 31(c)[1] Methodology Developed in Consultation With OMB and CBO

(Dashed Line Indicates Forecast Values)

[1]Forecasted line is not smooth because the number of trading days varies by month.

[FR Doc. 03–11091 Filed 5–5–03; 8:45 am]
BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[File No. 500–1]

Aqua Vie Beverage Corporation; Order of Suspension of Trading

May 2, 2003.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Aqua Vie Beverage Corporation (''Aqua Vie''), trading under the stock symbol AQVB. Questions have been raised regarding the accuracy and completeness of information about Aqua Vie in fax broadcasts and on the Internet investors concerning, among other things, Aqua Vie's revenue projections and transactions in the common stock of Aqua Vie by certain individuals or entities providing services to Aqua Vie.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:30 a.m. EDT, May 2, 2003 through 11:59 p.m. EDT, on May 15, 2003.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 03–11310 Filed 5–2–03; 1:50 pm]
BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–47761; File No. SR–CBOE–2003–11]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to a One-Year Pilot for Options Intermarket Linkage Fees

April 29, 2003.

On March 12, 2003, the Chicago Board Options Exchange, Incorporated (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4

thereunder,[2] a proposed rule change to amend its fee structure to clarify which fees apply to trades pertaining to the options intermarket linkage (''Linkage'') and to specify that such fees are for a one-year pilot.

The Commission published the proposal rule change for comment in the **Federal Register** on March 25, 2003.[3] The Commission received no comments on the proposal. This order approves the proposal rule change.

Four CBOE fees would potentially apply to Linkage trades other than satisfaction orders: a transaction fee ($.19 per contract for equity options and QQQ options, $.30 per contract for OEF options with a premium greater than or equal to $1.00, and $.15 per contract for OEF options with a premium less than $1.00); a $.05 per contract trade match fee; a $.30 per contract RAES fee if the order is executed in whole or in part on RAES; and a $.04 per contract floor brokerage fee if any portion of the order is manually handled. Each of these Linkage-related fees would be implemented as a one-year pilot, expiring on January 31, 2004.

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[4] and, in particular, the requirements of section 6 of the Act.[5] The Commission finds that the proposed rule change is consistent with section 6(b)(4) of the Act,[6] which requires that the rules of an exchange provide equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Commission believes the one-year pilot will give the Exchange and the Commission the opportunity to evaluate whether these fees are appropriate.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[7] that the proposed rule change is approved on a pilot basis until January 31, 2004.

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[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 47515 (March 17, 2003), 68 FR 14445.

[4] In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[5] 5 15 U.S.C. 78f.

[6] 6 15 U.S.C. 78f(b)(4).

[7] 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[8]

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 03–11092 Filed 5–5–03; 8:45 am]
BILLING CODE 8010–01–P

SMALL BUSINESS ADMINISTRATION

Charter Renewal

Renewal of Advisory Committees: We publish this notice following the provisions of the Federal Advisory Committee Act (Pub. L. 92–463) to renew Small Business Administration (SBA) discretionary Advisory Committees. The General Services Administration's Committee Management Secretariat has determined that renewal is in the public interest.

1. *National Advisory Council:* The Council will provide advice, ideas and opinions on SBA programs and small business issues. The Council's scope of activities includes reviewing SBA programs and informing SBA of current small business issues. Its members provide an essential connection between SBA, SBA program participants, and the small business community nationwide.

2. *District Advisory Councils:* The District Advisory Councils provide advice and recommendations to the SBA regarding the effectiveness of and need for SBA programs, particularly within the local districts. Official designations include:

1. Alabama District Advisory Council (formerly Birmingham District Advisory Council).

2. Buffalo District Advisory Council.

3. Columbus District Advisory Council.

4. Connecticut District Advisory Council (formerly Hartford District Advisory Council).

5. Georgia District Advisory Council (formerly Atlanta District Advisory Council).

6. Hawaii District Advisory Council (formerly Honolulu District Advisory Council).

7. Houston District Advisory Council.

8. Indiana District Advisory Council (formerly Indianapolis District Advisory Council).

9. Louisiana District Advisory Council (formerly New Orleans District Advisory Council).

10. Maine District Advisory Council (formerly Augusta District Advisory Council).

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[1] 15 U.S.C. 78s(b)(1).

[8] 8 17 CFR 200.30–3(a)(12).