Comments and suggestions in connection with items for inclusion in guides currently being developed or improvements in all published guides are encouraged at any time. Written comments may be submitted to the Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington DC 20555. Questions on the content of this guide may be directed to Ms. C. Antonescu, (301) 415–6792; e-mail *cea1@nrc.gov*.

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Dated at Rockville, MD this 30th day of September 2003.

For the Nuclear Regulatory Commission.

Jack R. Strosnider,

Deputy Director, Office of Nuclear Regulatory Research.

[FR Doc. 03–25745 Filed 10–9–03; 8:45 am]

BILLING CODE 7590–01–P

POSTAL SERVICE

Board of Governors' Sunshine Act Meeting; Notification of Item Added to Meeting Agenda

DATE OF MEETING: October 2, 2003.

STATUS: Closed.

PREVIOUS ANNOUNCEMENT: 68 FR 55665, September 26, 2003.

ADDITION: Office of Inspector General Fiscal Year 2004 Budget. At its meeting on October 2, 2003, the Board of Governors of the United States Postal Service voted unanimously to add this item to the agenda of its closed session and that no earlier announcement was possible. The General Counsel of the United States Postal Service certified that in her opinion discussion of this item could be properly closed to public observation.

FOR FURTHER INFORMATION CONTACT: William T. Johnstone, Secretary of the Board, U.S. Postal Service, 475 L'Enfant Plaza, SW., Washington, DC 20260–1000.

William T. Johnstone,

Secretary.

[FR Doc. 03–25859 Filed 10–7–03; 4:31 pm]

BILLING CODE 7710–12–M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of October 13, 2003:

A Closed Meeting will be held on Thursday, October 16, 2003, at 10 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (5), (7), (8) and (10) and 17 CFR 200.402(a) (5), (7), (8), and (10), permit consideration of the scheduled matters at the Closed Meeting.

The subject matter of the Closed Meeting scheduled for Thursday, October 16, 2003, will be:

Regulatory matters regarding financial institutions; and Opinions.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942–7070.

Dated: October 7, 2003.

Jonathan G. Katz,

Secretary.

[FR Doc. 03–25860 Filed 10–7–03; 4:40 pm]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–48591; File No. SR–CBOE–2003–17]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Board Options Exchange, Inc. Relating to the Listing and Trading of Options on Russell Indexes

October 2, 2003.

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 May 5, 2003, the Chicago Board Options Exchange, Inc. (''CBOE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the CBOE. On September 24, 2003, the CBOE filed an amendment to the proposed rule change.[3] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons, and to approve the proposed rule change, as amended, on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE proposes to amend certain rules to provide for the listing and trading on the Exchange of options on several different Russell Indexes. The text of the proposed rule change is available at the Office of the Secretary, CBOE, and at the Commission.

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 CBOE 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

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

[2] 17 CFR 240.19b–4.

[3] *See* letter from James Flynn, Esq., Legal Division, CBOE, to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission, dated September 23, 2003 (''Amendment No. 1''). Amendment No. 1 replaces the original filing in its entirety, and: (1) Clarifies that the CBOE will monitor each Russell Index on an annual basis and notify the Commission in the event that certain specified standards are not satisfied; (2) notes in the purpose section of the proposal that the CBOE will have complete access to the trading information of the component securities of the Russell Indexes; and (3) amends the strike prices for options on the Russell Indexes.

may be examined at the places specified in Item IV below. The CBOE 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

The purpose of the proposed rule change is to permit the Exchange to list and trade cash-settled, European-style, stock index options on the Russell 1000® Index, Russell 1000® Growth Index, Russell 1000® Value Index, Russell 2000® Growth Index, Russell 2000® Value Index, Russell 3000® Index, Russell 3000® Growth Index, Russell 3000® Value Index, Russell Midcap® Index, Russell Midcap® Growth Index, Russell Midcap® Value Index (''Russell Indexes'' or ''Indexes''). Each Russell Index is a capitalization-weighted index containing various groups of stocks drawn from the largest 3,000 companies incorporated in the U.S. and its territories. All component securities of the Russell Indexes are traded on the New York Stock Exchange, Inc. (''NYSE''), the American Stock Exchange LLC (''AMEX''), or the NASDAQ. The CBOE currently is approved to trade options on the Russell 2000® Index.[4]

Index Design. The Russell Indexes are designed to be a comprehensive representation of the investable U.S. equity market. These Indexes are capitalization-weighted and include only common stocks belonging to corporations domiciled in the U.S. and its territories and that are traded on the NYSE, NASDAQ or the AMEX. The component securities are weighted by their ''available'' market capitalization, which is calculated by multiplying the primary market price by the ''available'' shares; that is, total shares outstanding less corporate cross-owned shares, ESOP and LESOP-owned shares comprising 10% or more of shares outstanding, unlisted share classes and shares held by an individual, a group of individuals acting together, or a corporation not in the index that owns 10% or more of the shares outstanding. The following is a brief description of each index:

Russell 3000®	Measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.
Russell 1000®	Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.
Russell Midcap®	Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index.
Russell 1000® Growth	Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 1000® Value	Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 2000® Growth	Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000® Value	Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 3000® Growth	Measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.
Russell 3000® Value	Measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.
Russell Midcap® Growth	Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.
Russell Midcap® Value	Measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

All companies listed on the NYSE, AMEX or NASDAQ are considered for inclusion in the universe of stocks that comprise the Russell Indexes, with the following exceptions: (1) Stocks trading less than $1.00 per share on May 31; (2) non-U.S. incorporated companies; and (3) preferred and convertible preferred stock, redeemable shares, participating preferred stock, warrants and rights, trust receipts, royalty trusts, limited liability companies, bulletin board, pink sheet stocks, closed-end investment companies, limited partnerships, and foreign stocks. The Russell 3000 Index is comprised of the top 3,000 eligible stocks ranked by available market capitalization. The CBOE represents that all of these components are ''reported securities'' as defined in Rule 11Aa3–1 under the Act.

All of the remaining Russell Indexes are subsets of the Russell 3000 Index. The Growth and Value versions of each primary Index (Russell 1000, Russell 2000, Russell 3000 and Russell Midcap) may contain common components, but the capitalization of those components is apportioned so that the sum of the total capitalization of the Growth and Value indexes equals the total capitalization of the respective primary index.

As provided in Exhibit B to the proposed rule change, on February 28, 2003, the stocks comprising the Russell 3000 Index (and the other Russell Indexes) had an average market capitalization of $2.93 billion ranging from a high of $239 billion (General Electric Co.) to a low of $2 million (Deltagen, Inc.). The number of available shares outstanding ranged from a high of 9.95 billion (General Electric Co.) to a low of 310,000 (Seaboard Corp.), and averaged 123.4 million shares. The six-month average daily trading volume for Russell 3000 Index components was 977,000 shares per day, ranging from a high of 82.6 million shares per day (Cisco Systems, Inc.) to a low of 433 shares per day (Seaboard Corp.). Component securities that averaged less than 50,000 shares per day for the previous six months accounted for 1.3% of the index weight. Over 83% of the Russell 3000 Index components satisfied CBOE's listing criteria for equity options as set forth in CBOE Rule 5.3, representing over 99% of the index weight.

The Russell Indexes themselves range in capitalization from a high of $8.6

[4] *See* Securities Exchange Act Release No. 31382 (October 30, 1992), 57 FR 52802 (November 5, 1992) (order approving the listing and trading of options on the Russell 2000 Index).

trillion (Russell 3000) to a low of $278 billion (Russell 2000 Growth). The number of index components range from a high of 2,933 (Russell 3000) to a low of 453 (Russell Midcap Growth). The Russell 1000 Growth Index has the highest percentage of options-eligible components with 99.8% by weight and 97.7% by number. The Russell 2000 Value index has the lowest percentage of options-eligible components with 90.7% by weight and 74.8% by number.

Calculation. The values of each Index are currently being calculated by Reuters on behalf of the Frank Russell Company and will be disseminated at 15-second intervals during regular CBOE trading hours to market information vendors via the Options Price Reporting Authority (''OPRA'').

The CBOE notes that the methodology used to calculate the value of the Russell Indexes is similar to the methodology used to calculate the value of other well-known market-capitalization weighted indexes. The level of each Index reflects the total market value of the component stocks relative to a particular base period and is computed by dividing the total market value of the companies in each Index by its respective index divisor. The divisor is adjusted periodically to maintain consistent measurement of each Index. The following is a table of base dates and the respective Index levels as of February 28, 2003:

Index	Base date/base index value	2/28/03 Index value
Russell 3000®	12/31/86 = 140.00	468.15
Russell 1000®	12/31/86 = 130.00	446.96
Russell Midcap®	12/31/86 = 200.00	464.62
Russell 1000® Growth	8/31/92 = 200.00	354.20
Russell 1000® Value	8/31/92 = 200.00	430.96
Russell 2000® Growth	3/16/00 = 500.00	190.56
Russell 2000® Value	3/16/00 = 500.00	522.72
Russell 3000® Growth	3/16/00 = 700.00	282.42
Russell 3000® Value	3/16/00 = 700.00	558.95
Russell Midcap® Growth	3/16/00 = 500.00	202.01
Russell Midcap® Value	3/16/00 = 500.00	506.05

Index Option Trading. According to the CBOE, options on these indexes shall be A.M.-settled. In addition to regular Index options, the Exchange may provide for the listing of long-term index option series (''LEAPS®'') in accordance with CBOE Rule 24.9.

For options on each Index, strike prices will be set to bracket the respective index in 2.5-point increments for strikes below $200 and 5 point increments for strikes at or above $200. The minimum tick size for series trading below $3 will be 0.05 and for series trading above $3 the minimum tick will be 0.10. The trading hours for options on the Indexes will be from 8:30 a.m. to 3:15 p.m. Chicago time. Exhibit C to the proposed rule change represents the proposed contract specifications for the options on the Russell Indexes.

Maintenance. The Russell Indexes will be monitored and maintained by the Frank Russell Company. The Frank Russell Company will be responsible for making all necessary adjustments to the Indexes to reflect component deletions, share changes, stock splits, stock dividends (other than an ordinary cash dividend), and stock price adjustments due to restructuring, mergers, or spin-offs involving the underlying components. Some corporate actions, such as stock splits and stock dividends, require simple changes to the available shares outstanding and the stock prices of the component securities. Other corporate actions, such as share issuances, change the market value of the Indexes and would require the use of an index divisor to effect adjustments.

The CBOE represents that the Russell Indexes are re-constituted annually on June 30th, based on prices and available shares outstanding as of the preceding May 31st. New components securities to the Indexes are added only as part of the annual re-constitution and, after which, should a component security be removed from an Index for any reason, it cannot be replaced until the next re-constitution.

The CBOE represents that it will monitor each Russell Index on an annual basis, at which point the Exchange will notify the Commission if: (1) The number of securities in each index drops by ⅓rd or more; (2) 10% or more of the weight of each index is represented by component securities having a market value of less than $75 million; (3) less than 80% of the weight of each Index is represented by component securities that are eligible for options trading pursuant to CBOE Rule 5.3; (4) 10% or more of the weight of each Index is represented by component securities trading less than 20,000 shares per day; or (5) the largest component security accounts for more than 15% of the weight of each Index or the largest five components in the aggregate account for more than 50% of the weight of the Index.

Surveillance. The Exchange represents that CBOE's surveillance procedures are adequate to monitor the trading in options and LEAPS on the Russell Indexes. Further, the CBOE shall have complete access to the information regarding the trading activity of the underlying securities.

Exercise and Settlement. The proposed options on each Index will expire on the Saturday following the third Friday of the expiration month. Trading in the expiring contract month will normally cease at 3:15 p.m. (Chicago time) on the business day preceding the last day of trading in the component securities of the Index (ordinarily the Thursday before expiration Saturday, unless there is an intervening holiday). The exercise settlement value of the Index at option expiration will be calculated by Reuters on behalf of the Frank Russell Company based on the opening prices of the component securities on the last business day prior to expiration. If a component security fails to open for trading, the exercise settlement value will be determined in accordance with CBOE Rules 24.7(e) and 24.9(a)(4). When the last trading day is moved because of Exchange holidays (such as when CBOE is closed on the Friday before expiration), the last trading day for expiring options will be Wednesday and the exercise settlement value of index options at expiration will be determined at the opening of regular trading on Thursday.

Position Limits. The Exchange proposes to establish position limits for options on the Russell Indexes at 50,000 contracts on either side of the market, and no more than 30,000 of such contracts may be in the series in the nearest expiration month. These limits are identical to the limits applicable to options on the Russell 2000 Index as specified under CBOE Rule 24.4(a).

Exchange Rules Applicable. Except as modified herein, the Rules in Chapter XXIV will govern the trading of options on the aforementioned Russell Indexes on the Exchange. Additionally, CBOE affirms that it possesses the necessary systems capacity to support new series that would result from the introduction of the Russell Index options. CBOE also has been informed that OPRA has the capacity to support such new series.[5]

2. Statutory Basis

The proposed rule change is consistent with section 6(b) of the Act in general,[6] and furthers the objectives of section 6(b)(5) of the Act in particular,[7] in that it will permit trading in options on a broad range of indexes pursuant to rules designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest.

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

This proposed rule change does not 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. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to File No. SR–CBOE–2003–17 and should be submitted by October 31, 2003.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

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, in particular, the proposal is consistent with section 6(b)(5) of the Act.[8] Specifically, the Commission believes that the listing and trading of options on the Russell Indexes will serve to promote the public interest, as well as to help remove impediments to a free and open securities market. The Commission also believes that the trading of options on the Indexes will allow investors holding positions in some or all of the securities underlying the Indexes to hedge the risks associated with their portfolios more efficiently and effectively. Accordingly, the Commission believes that the options on the Russell Indexes will provide investors with an important trading and hedging mechanism that should reflect accurately the overall movement of stocks in the large capitalization range of U.S. equity securities.[9] By broadening the hedging and investment opportunities of investors, the Commission believes that the trading of options on the Russell Indexes will service to protect investors, promote the public interest and contribute to the maintenance of fair and orderly markets.[10]

The trading of options on the Russell Indexes, however, raises several issues related to the design and structure of the Indexes, customer protection, surveillance, and market impact. For the reasons discussed below, the Commission believes that the CBOE has adequately addressed these issues.

A. Index Design and Structure

The Commission finds it is appropriate and consistent with the Act to classify the Indexes as broad-based, and thus, to permit Exchange rules applicable to the trading of broad-based index options to apply to the Russell Indexes options. Specifically, the Commission believes that the Indexes are broad-based because they reflect a substantial segment of the U.S. equities market, in general, and the largest 3,000 U.S. securities, in particular. The Russell Indexes cumulatively range in market capitalization from a high of $8.6 trillion (Russell 3000) to a low of $278 billion (Russell 2000 Growth). The number of index components range from a high of 2,933 (Russell 3000) to a low of 453 (Russell Midcap Growth). As of February 28, 2003, the stocks comprising the Russell 3000 Index had an average market capitalization of $2.93 billion ranging from a high of $239 billion to a low of $2 million. All of the remaining Russell Indexes are subsets of the Russell 3000 Index. The component securities are diverse, actively traded, and represent a broad cross-section of highly capitalized securities in the U.S. equity market. CBOE has also represented that all of the component securities of the Russell Indexes are reported securities, and over 83% of the Russell 3000 Index components satisfied CBOE's listing criteria for equity options as set forth in CBOE Rule 5.3, representing over 99% of the index weight.[11] Accordingly, the Commission believes that it is appropriate for the Exchange to classify the Indexes as broad-based and apply its rules governing broad-based index options.

B. Potential for Manipulation

The Commission also believes that the large number of component securities, the capitalization and weighting methodology of the Indexes, and the depth of liquidity of the component securities comprising the Indexes,

[5] *See* Exhibit D to this filing.

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

[7] 15 U.S.C. 78f(b)(5).

[8] 15 U.S.C. 78f(b)(5).

[9] Pursuant to Section 6(b)(5) of the Act, the Commission must predicate approval of any new securities product upon a finding that the introduction of such product is in the public interest. Such a finding would be difficult with respect to a product that served no hedging or other economic function, because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns. In this regard, the trading of listed index options will provide investors with a hedging vehicle that should reflect the overall market of stocks representing a substantial segment of the U.S. securities market.

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

[11] The CBOE's option listing standards, which are uniform among the options exchanges, provide that a security underlying an option must, among other things, meet the following requirements: (1) The public float must be at least 7 million shares; (2) there must be a minimum of 2,000 stockholders; (3) trading volume must have been at least 2.4 million shares over the preceding twelve months; and (4) the market price per share must have been at least $ 7.50 for a majority of business days during the preceding three calendar months. *See* Interpretations and Policies.01 to CBOE Rule 5.3.

significantly minimize the potential for manipulation of the Indexes. First, as noted above, the Indexes represent a broad cross-section of domestic highly capitalized U.S. companies. Second, the Commission notes that the Index is a capitalization-weighted index whose value is more difficult to affect than that of a price-weighted index. Third, CBOE has represented that it will notify the Commission when: (1) The number of securities in each index drops by one-third or more; (2) 10% or more of the weight of each index is represented by component securities having a market value of less than $75 million; (3) less than 80% of the weight of each Index is represented by component securities that are eligible for options trading pursuant to CBOE Rule 5.3; (4) 10% or more of the weight of each Index is represented by component securities trading less than 20,000 shares per day; or (5) the largest component security accounts for more than 15% of the weight of each Index or the largest five components in the aggregate account for more than 50% of the weight of the Index. Fourth, the CBOE has proposed reasonable position and exercise limits for the Index options that will serve to minimize potential manipulation and other market impact concerns. Accordingly, the Commission believes that these factors minimize the potential for manipulation because it would affect significantly the Indexes values. Moreover, the surveillance procedures discussed below should detect as well as deter potential manipulation and other trading abuses.

C. Customer Protection

The Commission believes that a regulatory system designed to protect public customers must be in place before the trading of sophisticated financial instruments, such as the options on the Russell Indexes (including full-value and reduced value Index LEAPS), can commence on a national securities exchange. The Commission notes that the trading of standardized exchange-traded options occurs in an environment that is designed to ensure, among other things, that: (1) The special risks of options are disclosed to public customers; (2) only investors capable of evaluating and bearing the risk of options trading are engaged in such trading; and (3) special compliance procedures are applicable to options accounts. Accordingly, because the index options and index LEAPS will be subject to the same regulatory regime as the other standardized options traded on the CBOE, the Commission believes that adequate safeguards are in place to ensure the protection of investors in the Russell Indexes options.[12]

D. Surveillance

The Commission generally believes that a surveillance sharing agreement between an exchange proposing to list a stock index derivative product and the exchange(s) trading the stocks underlying the derivative product is an important measure for surveillance of the derivative and underlying securities markets. Such agreements ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the stock index product less readily susceptible to manipulation. In this regard, the NYSE, AMEX, and the NASD are all members of ISG. In addition, the CBOE will apply the same surveillance procedures as those used for existing broad-based index options trading on the CBOE. Further, CBOE has represented that it will have complete access to the information regarding the trading activity of the underlying securities.

E. Market Impact

The Commission believes that the listing and trading of options on the Russell Indexes on the Exchange will not adversely impact the underlying securities markets. First, as described above, the Indexes are broad-based and no one stock or industry group dominates any particular Index. Second, as noted above, the stocks contained in the Indexes generally are not inactively traded. Third, existing CBOE stock index options rules and surveillance procedures will apply to Russell Indexes options. Fourth, the Exchange has established reasonable position and exercise limits for the Russell Indexes options that will serve to minimize potential manipulation and market impact concerns. Fifth, the risk to investors of contra-party non-performance will be minimized because the Index options will be issued and guaranteed by the Options Clearing Corporation just like any other standardized option traded in the U.S. Lastly, the Commission believes that settling options on the Russell Indexes based on the opening prices of component securities is reasonable and consistent with the Act because it may contribute to the orderly unwinding of Index options positions upon expiration.

[12] In addition, CBOE has represented that it and OPRA have the necessary systems capacity to support these new series of options that would result from the introduction of Index options and Index LEAPS. See Exhibit D to the proposed rule change (letter from Joe Corrigan, Executive Director, OPRA, to Bill Speth, Director of Research, CBOE, dated March 24, 2003).

The Commission finds good cause for approving the proposed rule change, and Amendment No. 1 thereto, prior to the thirtieth day after the date of publication of notice in the **Federal Register**. The Commission believes that the trading of options on the Russell Indexes does not raise novel regulatory issues that were not addressed in previous filings regarding the listing and trading of similar instruments on the CBOE. The Commission further believes that the options on the Russell Indexes will provide investors with an additional investment choice and that accelerated approval of the proposal will allow investors to begin trading these index options promptly.

V. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[13] that the proposed rule change (SR–CBOE–2003–17), as amended, is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–25674 Filed 10–9–03; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–48592; File No. SR–NASD–2003–44]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the National Association of Securities Dealers, Inc. To Modify the Existing Pilot Program Relating to the Compliance Periods for the Nasdaq Bid Price Criteria

October 3, 2003.

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 March 18, 2003, the National Association of Securities Dealers, Inc. (''NASD''), through its subsidiary, the Nasdaq Stock Market, Inc. (''Nasdaq''), 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 Nasdaq. Nasdaq submitted

[13] 15 U.S.C. 78s(b)(2).

[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.