

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

1. Purpose

The Exchange has included in Note 4 to the Amex Equity Fee Schedule a list of ETFs that are subject to transaction charges set forth in Item 9 to the Equity Fee Schedule relating to ETFs for which the Exchange pays unreimbursed fees to a third party.³ The Exchange is adding to this list Treasury 10 FITR ETF, Treasury 5 FITR ETF, Treasury 2 FITR ETF, and Treasury 1 FITR ETF.

The Exchange is also amending Item 9 and Note 4 to the Equity Fee Schedule, as filed in SR-Amex-2002-81, to add reference to Portfolio Depository Receipts, which was inadvertently omitted from Item 9 and Note 4. As noted in SR-Amex-2002-81, the fees that are the subject of that filing include ETFs, Portfolio Depository Receipts and Index Fund Shares, for which Amex pays a non-reimbursed fee.

2. Basis

The Exchange believes the proposed rule change is consistent with Section 6 of the Act,⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

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

Amex does not believe that the proposed rule change will impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No comments were solicited nor 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 Act⁶ and subparagraph (f)(2) of Rule 19b-4⁷ thereunder, because it establishes or changes a due, fee, or other charge. At

any time within 60 days of November 4, 2002, 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.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change, as amended, 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 Amex. All submissions should refer to File No. SR-Amex-2002-90 and should be submitted by December 18, 2002.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46861; File No. SR-CHX-2002-35]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated to Establish an OTC Access and Connection Charge for CHX OTC Specialist Firms

November 20, 2002.

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 October 28, 2002, the Chicago Stock Exchange, Incorporated (“CHX” 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. The Exchange has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the CHX under section 19(b)(3)(A)(ii) of the Act,³ 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

The Exchange proposes to amend its membership dues and fees schedule (“Schedule”) to incorporate an “OTC Access and Connection Charge” that will apportion among CHX over-the-counter (“OTC”) specialist firms the incremental technology costs associated with accessing OTC market participants. The text of the proposed rule change is below. Proposed new language is in italics.

Membership Dues and Fees

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H. Equipment, Information Services and Technology Charges

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OTC Access and Connection Charges

Each specialist firm shall be billed, on a monthly basis, for actual access charges and other amounts that become due in accordance with the Exchange's contractual arrangements to access OTC market participants.

Amounts billed to the specialist firm will be based on the number of OTC/UTP co-specialists at each firm using products licensed or otherwise procured by the Exchange, adjusted on a monthly basis to reflect changes in the firm's number of OTC/UTP co-specialists; provided, however, that (i) the minimum monthly amount that will be billed to a specialist firm will be based on the firm's number of OTC/UTP co-specialists as of the date an agreement is executed; and (ii) if the firm elects to deregister from all OTC/UTP issues, the firm must continue to pay the minimum monthly amount referenced above, for

³ See Exchange Act Release No. 46764 (November 1, 2002), 67 FR 68704 (November 12, 2002) (SR-Amex-2002-81).

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

⁸ See 15 U.S.C. 78s(b)(3)(C).

⁹ 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)(ii).

the remaining initial term of the Exchange's contractual commitment.

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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

The CHX proposes to amend the Schedule by incorporating an OTC Access and Connection Charge that will apportion among CHX OTC specialist firms the incremental technology costs associated with accessing OTC market participants.

As the OTC market prepares for full implementation of Nasdaq's SuperMontage system and the NASD's Alternative Display Facility (which will not be accessible by CHX specialists), many CHX OTC specialists consider it imperative that the CHX enter into access arrangements with various OTC market participants and procure certain proprietary technological enhancements that will permit CHX OTC specialists to obtain ready access to various pools of liquidity in the OTC market. Given the substantial technology costs that the CHX has incurred and continues to incur relating to the transitions in the OTC market, including development costs associated with the independent securities information processor that will be operational next year, the CHX believes it is appropriate for CHX OTC specialists to bear a proportionate share of the technology costs associated with accessing the OTC market.

Accordingly, the CHX Finance Committee and Board of Governors approved institution of the proposed OTC Access and Connection Charge, as what the CHX believes is a reasonable means of allocating such technology costs among the CHX OTC specialist firms that benefit from such CHX expenditures. The Exchange believes that its OTC specialist firms are in agreement with this proposal.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with section 6(b)(4) of the Act⁴ in that it provides for the equitable allocation of reasonable 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 inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act⁵ and subparagraph (f)(2) of rule 19b-4 thereunder,⁶ because it involves a due, fee, or other charge. 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 proposal 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

⁴ 15 U.S.C. 78f(b)(4).

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(f)(2).

the principal office of the Exchange. All submissions should refer to file number SR-CHX-2002-35, and should be submitted by December 18, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46855; File No. SR-GSCC-2002-12]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Government Securities Clearing Corporation Relating to the Schedule of Timeframes for Submitting Repo Collateral Substitution Notifications

November 20, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 22, 2002, the Government Securities Clearing Corporation ("GSCC") 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 primarily by GSCC. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested parties and to grant accelerated approval of the proposed rule change.

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

The proposed rule change would allow GSCC to amend its schedule of timeframes to extend its repo collateral substitution deadline by one hour on days that GSCC determines to be high volume days.

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

In its filing with the Commission, GSCC 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

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).