

Dated at Rockville, Maryland, this 23rd day of June 2008.

For the Nuclear Regulatory Commission.

**Gregory Trussell,**

*Acting NRC Clearance Officer, Office of Information Services.*

[FR Doc. E8-14716 Filed 6-27-08; 8:45 am]

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## PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY

### Notice of Continuing Need for Quality Federal Auditor Training

**AGENCY:** The President's Council on Integrity and Efficiency is an interagency committee.

**ACTION:** Notice of Continuing Need for Quality Federal Auditor Training.

**SUMMARY:** The President's Council on Integrity and Efficiency (PCIE) with the Executive Council on Integrity and Efficiency (ECIE) recognizes a continuing need to provide quality training to personnel employed by the Federal Offices of Inspectors General (OIG). Accordingly, those who may be interested in developing and/or delivering courses/curriculum focused on the continuing educational needs of the Federal OIG Audit Community are encouraged to visit the Inspector General Community Auditor Training Web site at <http://www.ignet.gov/pandeligcats/index.htm>. Among other things, this Web site contains information on the types of courses that had been offered by the Inspectors General Auditor Training Institute in the past, PCIE sponsored assessments of many of those courses, as well as general information about the Federal OIG Community.

**FOR FURTHER INFORMATION CONTACT:** Kim Geier, Department of Education, Office of Inspector General, 400 Maryland Avenue, SW., Washington, DC 20202; telephone: (202) 245-7020; fax: (202) 245-7088; e-mail: [kim.geier@ed.gov](mailto:kim.geier@ed.gov).

**SUPPLEMENTARY INFORMATION:** The PCIE is authorized by Executive Order 12805 to address integrity, economy, and effectiveness issues that transcend individual Government agencies, and to increase the professionalism and effectiveness of OIG personnel throughout the Government.

**Note:** The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO

Access at: <http://www.gpoaccess.gov/nara/index.html>.

**John P. Higgins, Jr.,**

*PCIE Audit Committee and Department of Education Inspector General.*

[FR Doc. E8-14705 Filed 6-27-08; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58003; File No. SR-OCC-2008-11]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Range Options

June 23, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on June 2, 2008, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by OCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant approval of the proposal.

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

The proposed rule change would permit OCC to clear and settle range options proposed to be listed by the Chicago Board Options Exchange, Incorporated ("CBOE").

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>2</sup>

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by OCC.

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

The purpose of this rule change is to permit OCC to clear and settle range options proposed to be listed by CBOE.<sup>3</sup> General characteristics of range options are described below, followed by an explanation of the specific rule changes being proposed to clear them.

##### Description of Range Options

Range options are European-style, cash-settled options that have a payout if the underlying interest value falls within a specific range of values (*i.e.*, the "range length") at expiration. Range options may be listed on any index eligible for options trading on the listing exchange.

At the time a series of range options is opened for trading, the listing exchange will specify the range length. The exchange will also specify the "range interval," which is a value (*e.g.*, 10 index points) used to divide the range length into three segments, the "low range," "middle range" and "high range." The low range starts from the lower value end of the range length and ends at the position on the range length where the value is one range interval higher. The high range is a segment of equal length located at the higher value end of the range length. The middle range is the segment of values between the low range and the high range.

Expiration months for range options would be equivalent to those for options on the same underlying index. The expiration date for a series of range options would be the same as for conventional index options. At expiration, range options would be in the money if the underlying interest value fell anywhere within the range length; otherwise the options would be out of the money.

Range options are similar in some respects to binary options.<sup>4</sup> Unlike binary options, however, range options would be of a single type rather than consisting of a put class and a call class. Moreover, the payout structure of range options would not be "all or nothing" throughout the range length. Rather, the payout amount (*i.e.*, the "exercise settlement amount") would vary depending on where the underlying

<sup>3</sup> File No. SR-CBOE-2007-104. The Commission recently issued an order granting approval of SR-CBOE-2007-104 that allows CBOE to list and trade range options. Securities Exchange Act Release No. 57376 (February 25, 2008), 73 FR 11689 (March 4, 2008).

<sup>4</sup> See Securities Exchange Act Release No. 56875 (November 30, 2007), 72 FR 69274 (December 7, 2007) [SR-OCC-2007-08].

interest value falls within the range length. At the time a series of range options is opened for trading, the listing exchange will set a "maximum range exercise value" and a "contract multiplier," the product of which would be the maximum exercise settlement amount for that series. This maximum exercise settlement amount would be payable if the underlying interest value fell anywhere within the middle range. If the underlying interest value fell within the low range, the exercise settlement amount would, in accordance with applicable exchange rules, increase from zero to the maximum exercise settlement amount as the underlying interest value increased within the low range. Finally, if the underlying interest value fell within the high range, the exercise settlement amount would, in accordance with applicable exchange rules, decrease from the maximum exercise settlement amount to zero as the value of the underlying index decreased within the high range. Range options are subject to the "exercise-by-exception" expiration date exercise procedures set forth in applicable OCC Rules.

#### By-Law and Rule Amendments Applicable to Range Options

##### 1. Terminology—Article I, Section 1 and Article XIV, Section 1

OCC proposes to define "range option" in Article XIV, Section 1 of the By-Laws and to cross-reference the definition in Article I of the By-Laws. OCC also proposes to add "range length," "range interval," "high range," "middle range," and "low range" as new defined terms in Article XIV, Section 1.

OCC proposes to amend the definitions of "option contract" and "type of option" in Article I of the By-Laws to include range options.<sup>5</sup>

OCC proposes to redefine the term "class" in Article XIV, Section 1 so that it will apply to range options. To be within the same class, range options must cover the same underlying interest.

In respect of range options, OCC proposes to replace the definition of "exercise price" in Article I with a

revised definition in Article XIV, Section 1 which clarifies that the exercise price for a series of range options is the range length. The exercise price (*i.e.*, range length) of a range option is not, as defined in Article I, an amount that is paid in exchange for an underlying interest; rather, it is used to determine whether such option is in the money and the exercise settlement amount upon exercise.

OCC proposes to redefine the term "exercise settlement amount" in Article XIV, Section 1 so that it will apply to range options. When used in respect of range options, exercise settlement amount means the amount of cash to be paid to the holder of an in-the-money option upon exercise. As described above, the exercise settlement amount will be the function of a maximum range exercise value and a contract multiplier, and will vary depending on where the underlying interest value falls within the range length at expiration. The manner in which the exercise settlement amount varies along the range length is set forth in applicable listing exchange rules.

Other defined terms in Article XIV that were created for binary options are proposed to be modified accordingly so that they will apply to range options.

##### 2. Terms of Cleared Contracts—Article VI, Section 10(f)

OCC proposes to add a new paragraph (f) in Article VI Section 10 to clarify that the listing exchange will specify the variable terms for each series of range options at or before the time such series is first opened for trading.

##### 3. General Rights and Obligations—Article XIV, Section 2C

OCC proposes to add a new Section 2C to Article XIV to define the general rights and obligations of holders and writers of range options. As noted above, range options are subject to the exercise-by-exception procedures set forth in applicable OCC Rules. The holder of an exercised range option has the right to receive the exercise settlement amount from OCC and the assigned writer has the obligation to pay that amount to OCC.

##### 4. Adjustments of Range Options—Article XIV, Section 3A(b); Unavailability or Inaccuracy of Final Underlying Interest Value—Article XIV, Section 5; Determination of Final Underlying Interest Value—Article XIV, Section 6

Article XIV, Section 3A(b) governs adjustments of binary options (other than credit default options and credit default basket options) for which the

underlying interest is an index of securities. OCC believes that such procedures are sufficient to support adjustments of range options. Therefore, OCC proposes to amend Section 3A(b) so that it will apply to range options as well. OCC also proposes to amend Article XIV, Section 5 to give OCC the authority to fix the underlying interest value for an expiring series of range options, and to rely on that value for determining whether such options are in the money. Additional changes are proposed to be made to Section 5 to reflect the fact that range options are subject to the exercise-by-exception procedures set forth in Rule 805 and applicable rules in Chapter XV. Finally, Article XIV, Section 6 is proposed to be amended to provide that, as with binary options, the underlying interest value of a series of range options will be determined by the exchange or exchanges on which such options are traded, subject to any overriding provision of OCC's By-Laws and Rules. If a series of range options is traded on more than one exchange, OCC may use the underlying interest value received from the exchange deemed by OCC to be the principal exchange, or OCC may employ a procedure to derive a single value based on some or all of the values received.

For purposes of deleting surplus words, OCC proposes to delete the word "equity" from Sections 3(A)(b)(2) and 5(a).

##### 5. Exercise and Settlement—Rule 1501A, 1502A and 1503–1505

Range options will be subject to the exercise-by-exception procedures applicable to most other options under OCC Rules. Proposed procedures for exercise of in-the-money range options, as well as assignment and settlement of exercises (including provisions applicable to suspended clearing members), are set forth in amended rules and new rules in Chapter XV.

##### 6. Deposits in Lieu of Margin Prohibited—Rule 1506

Escrow deposits will be prohibited for range options as well as binary options.

The proposed changes to OCC's By-Laws and Rules are consistent with the purposes and requirements of Section 17A of the Act because they are designed to promote the prompt and accurate clearance and settlement of transactions in, including exercises of, range options, and to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate

<sup>5</sup> OCC further proposes to remove a provision from the definition of "option contract" which provided that classes of fund shares as designated by OCC would be treated as non-equity securities for purposes of Article VIII and Chapters VI and X of the Rules. Such provision is no longer necessary because STANS, OCC's margin system, covers both equity and non-equity securities. Securities Exchange Act Release No. 53322 (February 15, 2006), 71 FR 9403 (February 23, 2006) [SR-OCC-2004-20].

clearance and settlement of such transactions, and, in general, to protect investors and the public interest. They accomplish this purpose by applying substantially the same rules and procedures to these transactions as OCC applies to similar transactions in other cash-settled options except to the extent that special rules and procedures are required in order to accommodate unique features of range options. The proposed rule change is not inconsistent with the existing rules of OCC, including any rules proposed to be amended.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

OCC does not believe that the proposed rule change would impose any burden on competition.

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

Written comments were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

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

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>6</sup> The purpose of the proposed rule change is to amend OCC's By-Laws and Rules so that OCC may clear and settle range options. Accordingly, the proposed rule change should result in the prompt and accurate clearance and settlement of securities transactions, specifically transactions in range options.

OCC has requested that the Commission approve the proposed rule prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of notice because such approval will allow CBOE to commence trading of range options without any unnecessary delay.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2008-11 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2008-11. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at [http://www.theocc.com/publications/rules/proposed\\_changes/sr\\_occ\\_08\\_11.pdf](http://www.theocc.com/publications/rules/proposed_changes/sr_occ_08_11.pdf). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2008-11 and should be submitted on or before July 21, 2008.

**IV. Conclusion**

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.<sup>7</sup>

<sup>7</sup> In approving the proposed rule change, the Commission considered the proposal's impact on

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-2008-11) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Florence E. Harmon,**

*Acting Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-57994; File No. SR-CBOE-2008-63]

**Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Fees for the CBOE Stock Exchange**

June 20, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 13, 2008, the Chicago Board Options Exchange, Incorporated ("CBOE" 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 substantially prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> 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**

CBOE proposes to amend its CBOE Stock Exchange ("CBSX") Fees Schedule to include a CBSX Direct Connectivity Charge for a new facility of the Exchange that will enable CBOE Market-Makers to transmit orders directly to CBSX. The text of the proposed rule change is available at CBOE's principal office, the

efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>6</sup> 15 U.S.C. 7q-1(b)(3)(F).