

### Statutory Basis

Nasdaq believes that the proposal is consistent with section 15A(b)(6) of the Act.<sup>17</sup> Section 15A(b)(6) requires, among other things, that the rules of a registered national securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Nasdaq believes that permitting market makers to use these systems should have several benefits. Market makers will be able to utilize existing computer models, or develop new models, to automatically generate and update their quotes, which should enhance the price discovery process and allow members to increase the number of stocks in which they are registered as market makers.

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

Nasdaq does not believe that the proposed rule change will result in 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*

Nasdaq has neither solicited nor received written comments on 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 upon filing pursuant to section 19(b)(3)(A) of the Act<sup>18</sup> and Rule 19b-4(f)(1)<sup>19</sup> thereunder because the proposal is a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for

the protection of investors, or otherwise in furtherance of the purposes of the Act.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 the NASD. All submissions should refer to File No. SR-NASD-2002-76 and should be submitted by September 9, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>20</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46339; File No. SR-OCC-2002-17]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to a Change in Ancillary Service Fees

August 12, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on July 23, 2002, The Options Clearing Corporation ("OCC") 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 primarily by OCC. 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 proposed rule change amends OCC's schedule of fees to reflect the restructuring of OCC's ancillary services program.

### 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 such statements.<sup>2</sup>

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

In addition to its clearing and settlement services, OCC provides a number of ancillary services to its membership. These services range from on-line systems to report and data files. Hardware and communications lines support these ancillary service offerings. However, the current fee structure for these services and their supporting communications lines does not cover OCC's monthly expenses. Accordingly, OCC has decided to restructure its ancillary services program.

OCC is implementing a four-tiered structure with a different bundle of ancillary services being offered at each tier. The tiers, the associated ancillary services, and the proposed cost for each are set forth in Exhibit A of the proposed rule change filing (OCC's schedule of fees). OCC has also determined to revise its communication line charges. A T1 leased line provides the optimal point-to-point secure communications to OCC's systems. OCC is revising its schedule of fees to charge for T1 leased lines and to increase the current 56.0kb line speed charge. These charges also are reflected in Exhibit A. The ancillary service charges and line offerings that have been eliminated as a result of restructuring the ancillary services program are set forth in Exhibit A.

<sup>17</sup> 15 U.S.C. 78o-3(b)(6).

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>19</sup> 17 CFR 240.19b-4(f)(1).

<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> The Commission has modified parts of these statements.

OCC believes the proposed rule change is consistent with section 17A of the Act because it provides for the reasonable allocation of costs to provide ancillary services to clearing members.

*(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**

Because the foregoing rule change changes fees charged clearing members by OCC, it has become effective pursuant to section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and rule 19b-4(f)(2)<sup>4</sup> thereunder. At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for

inspection and copying at the principal office of OCC. All submissions should refer to the File No. SR-OCC-2002-17 and should be submitted by September 9, 2002.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SOCIAL SECURITY ADMINISTRATION**

**Statement of Organization, Functions and Delegations of Authority**

This statement amends Part S of the Statement of the Organization, Functions and Delegations of Authority, which covers the Social Security Administration (SSA). The notice establishes the Office of the Senior Executive Officer. This notice also removes the functions of the Press Office from the Deputy Commissioner of Communications and establishes the Press Office as an organization in the Office of the Commissioner. The new material and changes are as follows:

**Section TE.00 *The Office of Communications—(Mission)***

Delete line

Performs SSA Press Office function to ensure a unified and consistent message to SSA's many publics.

**Section SA.10 *The Office of the Commissioner—(Organization)***

Add

G. The Press Office

Add

H. The Office of the Senior Executive Officer

**Section SA.20 *The Office of the Commissioner—(Functions)***

Add

G. The Press Office

1. Under the leadership of the Press Officer guides and coordinates all SSA press activities. It prepares and distributes news releases, fact sheets, and other materials for national distribution and for local release through SSA field offices.

2. Initiates and maintains contacts with members of the news media and responds to press inquiries and requests from newspapers, radio and television news departments; news and general

print magazines, internet news providers, and other specialized press.

3. Advises Agency executives, Regional Communications Directors, Public Affairs Specialists, and other employees on matters related to news media.

4. Monitors press coverage of Social Security programs and employees, and distributes summaries of media coverage to Agency executives. When appropriate, the Press Office works to correct inaccuracies in coverage.

5. With the Office of Communications, works to craft messages and material for internal and external distribution.

Add

H. The Office of the Senior Executive Officer

1. Under the guidance of the Senior Executive Officer provides oversight and direction to the ongoing operation and activities of the Office of the Commissioner.

2. Plans, manages, and coordinates special projects/initiatives involving Agency administrative, policy, or program issues.

3. Serves as a focal point and represents the interests of the Commissioner to ensure that Agency components are aware of and held accountable for priorities, initiatives, and required actions. Acts as a catalyst and conduit for the exchange of information and direction between the Commissioner, functional Deputy Commissioners, and other executives.

4. Advises the Commissioner on issues concerning Agency operation, program integration, staffing/personnel matters, organizational effectiveness, and cooperation.

5. Directs administrative operations for the Office of the Commissioner including the budget, personnel management, and the development of policies and procedures necessary to secure a correctly and efficiently managed office.

6. Provides oversight and perspective on Agency-wide administrative and programmatic funding.

Dated: August 1, 2002.

**Jo Anne B. Barnhart,**  
*Commissioner.*

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**SOCIAL SECURITY ADMINISTRATION**

**Senior Executive Service Performance Review Board Membership**

**AGENCY:** Social Security Administration.

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

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

<sup>5</sup> 17 CFR 200.30-3(a)(12).