

this proposal as one establishing or changing a due, fee or other charge imposed by the self-regulatory organization under section 19(b)(3)(A)(ii) of the Act⁴ and Rule 19b-4(f)(2) thereunder,⁵ which renders the proposed rule change 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 Floor Operations Fee Schedule to

include a provision for the pass-through of miscellaneous trading related fees. The text of the proposed rule change is below. Proposed new language is in *italics*.

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Floor Operation Fees

(1) Occupancy/Technology:

Occupancy Fee	\$500.00 per post per month.
Specialist/Floor Trader Technology Fee	\$500.00 per Beacon terminal per month.
Floor Broker Technology Fee	\$100.00 per Beacon terminal per month.
Security Routing Fee	\$500.00 per month per Beacon user-ID that has stocks routed to it.
Floor Facility Fee	\$250.00 per person that regularly accesses the trading floor.
Electronic Trading Permit Fee	\$1,000.00 per trader trading from a remote location per month.

(2) Specialist Post Clearing and Cashiering:

Post Cashiering Fee	\$750.00 per specialist book for first 3 books per firm.
Clearing Fee	\$100.00 per specialist book for any books in excess of 3 per firm.
	\$0.05 per trade.

(3) Listed Specialist Trade Processing Fees/Credits:

Pre-Opening Trades	No Charge.
Trades in CTA Securities ranked 1,001 and greater	No Charge (BSE executions only).
Round lot	\$50 per order.
Odd Lot Trades (includes CSI Issues)	\$0.05 per order (\$400 maximum per account).
Trading Account Trades	\$1.50 per order.
ETF Trade Credit	\$2.00 per trade (maximum annual credit capped at total amount paid in upfront annual registration fees).

Listed Securities

A. Maximum Total Round lot/Odd lot charges:

CTA Trade Rank:

1-50	\$400.
51-100	\$300.
101-500	\$250.
501+	\$0*.

Monthly Transaction Fee Maximum

* Includes BSE executions only. For all other executions, the applicable trade rate will apply.

B. Credit:

Primary Specialist	\$50 per trade (based on Competing Specialist trade volume).
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(Total of the assessed fees for round lot/odd lot trades and trade credits will not be less than zero on a per issue basis)

(4) Other Charges:

ITS User Fee	\$.003 per share on net outbound specialist trades (charge for outgoing trades offset by cumulative credit for incoming trades); No charge for non-specialist firms.
Quotation Services	Member assumes 100% of cost.
Specialist Margin Account Financing	Charged daily at current broker call rate.
Solely Listed Issue Credit	\$50.00 Credit per issue traded.
Miscellaneous Trading Charges	<i>Direct pass through of all miscellaneous trading charges, such as Nasdaq fees, other market center access fees, ECN access fees, trading-related telecommunications charges, market data service charges, and other similar fees and charges.</i>
Miscellaneous Administrative Charges	<i>At cost for phone, postage, courier service, fax usage, after hours BSE staff assistance and other applicable items.</i>
Late Fees	1.5% will be charged on outstanding balances as of the last calendar day of the month.

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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 purpose of the proposed rule change is to amend the Exchange's Floor Operation Fee schedule to include a

(f)(2) of Rule 19b-4 thereunder. See letter dated April 22, 2003, from John Boese, Vice President, Legal and Compliance, Exchange, to Katherine England, Assistant Director, Division of Market Regulation, Commission. For purposes of

calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under section 19(b)(3)(C) of the Act, the Commission considers that the period to commence

on April 22, 2003, the date the Exchange filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(f)(2).