

System fees	Transaction reporting fees	Market data fees
<p>From 01/01/03 to [06/30/03] 01/31/04: Level I Trade Report Only Web Browser Access—\$25/month per user ID</p> <p>Level II Full Service Web Browser Access—\$85/month per user ID, except</p> <p>For a period of one calendar month to be announced: Level II Full Service Web Browser Access—\$25/month per user ID</p> <p>From 01/01/03 to [06/30/03] 01/31/04: Trades up to and including \$200,000 par value—\$0.475/trade;</p> <p>Trades between \$201,000 and \$999,999 par value—\$0.002375 times the number of bonds traded/trade;</p> <p>Trades of \$1,000,000 par value or more—\$2.375/trade</p> <p>CTCI—\$25/month/line</p>	<p>From 07/01/02 to 12/31/02: Cancel/Correct—\$3/trade, except</p> <p>For October 2002—\$1.50/trade</p> <p>For November 2002—\$2.25/trade</p> <p>From 01/01/03 to [06/30/03] 01/31/04: Cancel/Correct—\$1.50/trade</p> <p>From 07/01/02 to 12/31/02: “As of” Trade Late—\$3/trade, except</p> <p>For October 2002—\$1.50/trade</p> <p>For November 2002—\$2.25/trade</p> <p>From 01/01/03 to [06/30/03] 01/31/04: “As of” Trade Late—\$3/trade</p> <p>Browse & Query—\$0.05 after first page</p>	<p>BTDS Internal Usage Authorization—\$500/month per application/service.</p> <p>BTDS External Usage Authorization—\$1,000/month per application/service.</p> <p>BTDS Non-Professional Display—\$1/month per terminal.</p>
Third Party—\$25/month		

(1) System Related Fees. There are three methods by which a member may report corporate bond transactions that are reportable to NASD pursuant to the Rule 6200 Series. A member may choose among the following methods to report data to NASD: (a) a TRACE web browser; (b) a Computer-to-Computer Interface (“CTCI”) (either one dedicated solely to TRACE or a multi-purpose line); or (c) a third-party reporting intermediary. Fees will be charged based on the reporting methodology selected by the member.

(A) Web Browser Access

(i) For the period commencing July 1, 2002 and ending December 31, 2002, the charge to be paid by a member that elects to report TRACE data to NASD via a TRACE web browser shall be as follows: for the first user ID registered, a charge of \$85 per month; for the next two through nine user IDs registered, a charge of \$75 per month, per such additional user ID; and for ten or more user IDs registered, a charge of \$70 per month, per user ID from two to ten or more. If a member reports less than 25 trades per month to the TRACE system in October, November, or December 2002, the charge to be paid by a member for the TRACE web browser shall be \$25, per such month, per user ID.

(ii) For the period commencing January 1, 2003 and ending [June 30, 2003] *January 31, 2004*, the charge to be

paid by a member that elects to report TRACE data to NASD via a TRACE web browser shall be as follows: \$25 per month, per user ID for Level I Web Trade Report Only Browser Access and \$85 per month, per user ID for Level II Full Service Web Browser Access. Notwithstanding the above sentence, following the effective date of increased bond data dissemination as approved by the SEC on January 31, 2003^[5], NASD shall announce a period of one calendar month during which the charge for Level II Full Service Web Browser Access shall be \$25 per month, per user ID.

(B) through (C) No Change.

(2) Transaction Reporting Fees
For each transaction in corporate bonds that is reportable to NASD pursuant to the Rule 6200 Series, the following charges shall be assessed against the member responsible for reporting the transaction:

(A) Trade Reporting Fee

(i) For the period commencing July 1, 2002 and ending December 31, 2002, a member shall be charged a Trade Reporting Fee based upon a sliding

^[5] [On January 31, 2003, the SEC approved amendments to NASD Rule 6250 of the TRACE rules that will allow NASD to begin disseminating transaction information on more than 4,000 qualifying Investment Grade corporate debt securities. See Securities Exchange Act Release No. 47302 (January 31, 2003), 68 FR 6233 (February 6, 2003) (File No. SR-NASD-2002-174).]

scale ranging from \$0.50 to \$2.50 per transaction based on the size of the reported transaction. Trades up to and including \$200,000 par value will be charged a \$0.50 fee per trade; trades between \$201,000 par value and \$999,999 par value will be charged a fee of \$0.0025 multiplied by the number of bonds traded per trade; and trades of \$1,000,000 par value or more will be charged a fee of \$2.50 per trade.

(ii) For the period commencing January 1, 2003 and ending [June 30, 2003] *January 31, 2004*, a member shall be charged a Trade Reporting Fee based upon a sliding scale ranging from \$0.475 to \$2.375 per transaction based on the size of the reported transaction. Trades up to and including \$200,000 par value will be charged a \$0.475 fee per trade; trades between \$201,000 par value and \$999,999 par value will be charged a fee of \$0.002375 multiplied by the number of bonds traded per trade; and trades of \$1,000,000 par value or more will be charged a fee of \$2.375 per trade.

(B) Cancel or Correct Trade Fee

For the period commencing July 1, 2002 and ending December 31, 2002, a member shall be charged a Cancel or Correct Trade Fee of \$3.00 per canceled or corrected transaction. To provide firms with time to adjust to the new reporting system, the Cancel or Correct Trade Fee will not be charged until the later of October 1, 2002 or 90 days after