

Exchange assesses the marketing fee as set forth in a separate Schedule of Rates.

The Exchange seeks to modify its program for all option issues traded on the PCX, except for the Nasdaq-100 Tracking Index ("QQQ"), in the following ways:

Issues Subject to Program: Currently, the PCX's marketing fee program applies only to option issues that the PCX has classified as a top 250 issue. The PCX seeks to expand the program to include all equity option issues traded on the PCX, irrespective of its rank by volume across exchanges.

Transaction Fee: Currently, an LMM may suggest that the Exchange charge a marketing charge at a rate of \$0.00, \$0.25, \$0.50, \$0.75 or \$1.00 per contract. The PCX proposes to change the fee by assessing a flat \$0.60 rate per contract side on all equity options except for the QQQ options.

Scope of Transactions Subject to Program: Currently, the Exchange assesses a payment for order flow fee on all transactions other than market maker-to-market maker transactions. The PCX proposes to modify its program to collect marketing fees on only those transactions of LMMs and market makers involving customer orders from firms that accept payment for directing their orders to the PCX ("payment-accepting firms"). Under this proposal, an LMM will continue to be solely responsible for negotiating payment for order flow arrangements with payment-accepting firms. Although transactions involving firms that do not accept payment for their orders are not subject to the fee, the PCX notes that that LMMs and market makers would have no way of identifying prior to execution whether a particular order is from a payment-accepting firm or from a firm that does not accept payment for its order flow.

Treatment of QQQ Options: The Exchange intends to continue to collect a \$1.00 per-contract marketing fee for the QQQ options and to assess this fee on all QQQ transactions except for market maker-to-market maker transactions. The PCX notes that these are the current terms of its marketing fee program with respect to QQQ options.

The Exchange believes that the proposed changes to its marketing fee program are consistent with the Act in that they would serve to enhance the competitiveness of the PCX and its members. Accordingly, the PCX believes that this proposed rule change is consistent with and furthers the objectives of section 6(b)(5) of the Act,⁴ which requires the rules of an exchange

be designed to remove impediments to, and to perfect the mechanism of, a free and open market and a national market system. The Exchange also believes that the proposal furthers the objectives of section 11A(a)(1) of the Act,⁵ which reflects the findings of Congress that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure fair competition among brokers and dealers among exchange markets.

2. Basis

The Exchange believes that this proposal is consistent with section 6(b) of the Act,⁶ particularly section 6(b)(4) of the Act,⁷ in that it provides for the equitable allocation of reasonable fees 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 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

The Exchange 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 rule change establishes or changes a due, fee, or other charge imposed by the PCX, and therefore it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and Rule 19b-4(f)(2) thereunder.⁹ At any time within 60 days after the filing of this proposed rule change, the Commission may summarily abrogate the 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 the principal office of the PCX. All submissions should refer to File No. SR-PCX-2003-30 and should be submitted by August 11, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 03-18394 Filed 7-18-03; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF STATE

Office of the Deputy Secretary

[Public Notice—4404]

Removal of the Restriction on the Use of United States Passports for Travel To, In, or Through Iraq

The Deputy Secretary of State has decided to revoke the restriction on the use of U.S. passports for travel to, in, or through Iraq set forth in Public Notice 4283 of February 25, 2003 (68 FR 8791), as amended by Public Notice 4337 of April 16, 2003 (68 FR 18722), as further amended by Public Notice 4366 of May 15, 2003 (68 FR 26371). Effective upon signature of this Public Notice, United States passports are valid for travel to, in or through Iraq.

Conditions in Iraq remain hazardous for U.S. travelers. Persons considering travel to Iraq should consult the travel warnings available on the State Department's Bureau of Consular Affairs Web site, <http://travel.state.gov> prior to finalizing travel plans.

The Public Notice is effective upon signature.

⁵ 15 U.S.C. 78k-1.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

¹⁰ 17 CFR 200.30-3(a)(12).

⁴ 15 U.S.C. 78f(b)(5).