

promote just and equitable principles of trade.

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

OneChicago does not believe that the OneChicago Listing Standards will have an impact on competition because (i) It can be expected that other self-regulatory organizations that will list security futures products will adopt substantially similar listing standards and (ii) any concerns about possible anti-competitive effects should be evaluated in light of the standards applicable to other financial instruments based on "narrowly based" security indices or baskets, which are consistent with the OneChicago Listing Standards. In addition, OneChicago does not believe that the proposed amendment to the Information Sharing Rule will have an impact on competition because such amendment deals with procedural aspects of sharing information and is not substantive. Similarly, OneChicago does not believe that the proposed amendment to the Sales Practice Rule will have an impact on competition because it is designed to reflect the fact that members of OneChicago that are registered with the NFA will be subject to the sales practice rules of such organization rather than the sales practice rules of the NASD. Finally, OneChicago does not believe that the proposed amendments to the Market Manipulation Rule, the Trading Ahead Rule or the Trading Against Rule or the other proposed rules will have an impact on competition because such amendments constitute non-substantive changes to reflect market practice in the areas to which they relate.

#### *C. Self-Regulatory Organization's Statement on Comments on Proposed Rules Received From Members, Participants, or Others*

Comments on the OneChicago Listing Standards have not been solicited.

### **III. Date of Effectiveness of the Proposed Rules and Timing for Commission Action**

Pursuant to Section 19(b)(7)(B) of the Act,<sup>49</sup> the proposed rule change, as filed with the Commission on November 7, 2002, became effective on November 8, 2002. Amendment No. 1 to the proposed rule change became effective on December 11, 2002. Within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed

rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.<sup>50</sup>

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rules conflict with the Act. Persons making written submissions should file nine copies of the submission with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Comments also may be submitted electronically to the following e-mail address: [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rules that are filed with the Commission, and all written communications relating to the proposed rules 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 these filings will also be available for inspection and copying at the principal office of OneChicago. Electronically submitted comments will be posted on the Commission's internet Web site (<http://www.sec.gov>).

All submissions should refer to File No. SR-OC-2002-04 and should be submitted by January 28, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>51</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-47109; File No. SR-Phlx-2002-78]

#### **Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Increase the Transaction Charge for Off-Floor Broker-Dealer Orders Delivered via AUTOM and Executed via AUTO-X**

December 30, 2002.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on December 16, 2002, the Philadelphia Stock Exchange, Inc. ("Exchange" or "Phlx") submitted to the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Phlx. 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 Phlx proposes to amend its schedule of dues, fees and charges to increase the off-floor broker-dealer equity option transaction charge from \$.35 per contract to \$.45 per contract for orders delivered through the Phlx Automated Options Market ("AUTOM") System, and automatically executed by the Exchange's Automatic Execution System ("AUTO-X").<sup>3</sup> The \$.45 per contract transaction charge applicable to off-floor broker-dealer orders entered via AUTOM and executed via AUTO-X will apply to transactions in equity options only.<sup>4</sup> The option transaction charge applicable to off-floor broker-dealer orders not executed by AUTO-X remains at \$.35 per contract. The Exchange intends to implement this fee on transactions settling on or after January 2, 2003.

#### **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 Phlx 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

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

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

<sup>3</sup> AUTOM is the Exchange's electronic order delivery, routing, execution and reporting system, which provides for the automatic entry and routing of equity option and index option orders to the Exchange trading floor. Orders delivered through AUTOM may be executed manually, or certain orders are eligible for AUTOM's automatic execution feature, AUTO-X. Equity option and index option specialists are required by the Exchange to participate in AUTOM and its features and enhancements. Option orders entered by Exchange members into AUTOM are routed to the appropriate specialist unit on the Exchange trading floor. See Exchange Rule 1080.

<sup>4</sup> This fee will be eligible for the monthly credit of up to \$1,000 to be applied against certain fees, dues, charges and other amounts owed to the Exchange by certain members. See Securities Exchange Act Release No. 44292 (May 11, 2001), 66 FR 27715 (May 18, 2001) (SR-Phlx-2001-49).

<sup>49</sup> 15 U.S.C. 78s(b)(7)(B).

<sup>50</sup> 15 U.S.C. 78s(b)(1).

<sup>51</sup> 17 CFR 200.30-3(a)(75).