

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The PACE specialist credit currently applies to Phlx specialists for their trades against PACE executions. The purpose of the proposed rule change is to eliminate the PACE specialist credit, which should generate additional revenue for SCCC and simplify SCCC's billing structure. SCCC intends to eliminate the PACE specialist credit for trades settling on or after January 2, 2004.

SCCP believes that the proposed rule change is consistent with section 17A(b)(3)(D) of the Act⁵ which requires that the rules of a registered clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

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

SCCP does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

SCCP has not solicited or received any written comments relating to 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 pursuant to section 19(b)(3)(A)(ii) of the Act⁶ and Rule 19b-4(f)(2)⁷ thereunder because it changes a due, fee, or other charge. 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 5th Street NW,

Washington, DC 20549-0069. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-SCCP-2003-07. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. Copies of the submission, all subsequent amendments, all written statements with respect to the rule filing that are filed with the Commission, and all written communications relating to the rule filing between the Commission and any person, other than those that may be withheld from the public in accordance with provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room in Washington, DC. Copies of such filing will also be available for inspection and copying at SCCC's principal office and on SCCC's Web site at http://www.phlx.com/exchange/memos/SCCP/sccp_rules/122903.pdf. All submissions should refer to File No. SR-SCCP-2003-07 and should be submitted by March 3, 2004.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49189; File No. SR-SCCP-2004-01]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Extension of Fee Waivers for Electronic Communications Networks

February 4, 2004.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ notice is hereby given that on January 20, 2004, the Stock Clearing Corporation of Philadelphia ("SCCP") 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 SCCC. 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

SCCP proposes to extend its one-year pilot program of waiving fees for electronic communications networks ("ECNs") for trades executed on the Philadelphia Stock Exchange, Inc. ("Phlx") for an additional year (through January 23, 2005)² and to change the definition of ECN. The pilot program was scheduled to expire on January 23, 2004.³

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, SCCC 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. SCCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.⁴

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

SCCP has waived fees (including trade recording fees, value fees, treasury transaction charges, and Nasdaq 100 Trust, Series 1 ("QQQ") charges for ECN trades⁵ but not account fees, research fees, computer transmission/tape charges, or other charges on its fee schedule) since early 2001.⁶ SCCC proposes to continue this fee waiver through January 23, 2005.

This proposal affects ECN trades that are not related to ECNs acting as Phlx specialists or floor brokers on Phlx. Currently, no ECN operates from Phlx's equity trading floor as a floor broker or specialist unit. If, however, an ECN

² A copy of SCCC's schedule of fees, which includes the fees proposed to be waived for ECNs, is attached as Exhibit 2 to SCCC's rule filing.

³ Securities Exchange Act Release No. 47924 (May 23, 2003), 68 FR 33558 (June 4, 2003) (SR-SCCP-2002-06).

⁴ The Commission has modified the text of the summaries prepared by SCCC.

⁵ Certain provisions of the SCCC fee schedule do not apply to ECNs because they apply to specialists and/or relate to margin financing, such as specialist discount, margin account interest, P&L statement charges, buy-ins, specialist QQQ charges, and SCCC transaction charge (remote specialists only).

⁶ Securities Exchange Act Release No. 45145 (Dec. 10, 2001), 66 FR 65017 (Dec. 17, 2001) (SR-SCCP-2001-01).

⁵ 15 U.S.C. 78q-1(b)(3)(D).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

were to operate from the Phlx equity trading floor, it could be subject to various SCCP fees with respect to its non-ECN floor operation. In addition, an ECN's transactions as a floor broker would be subject to the applicable SCCP fee, as would any ECN's specialist trades.⁷ Even if the ECN acts as a floor broker or specialist with respect to some trades, those trades for which it is not acting as a floor broker or specialist, but rather an ECN, would be eligible for this fee waiver.

SCCP also proposes to make minor changes to its definition of ECNs that appears on SCCP's fee schedule.⁸

SCCP believes that this proposed rule change is consistent with section 17A(b)(3)(D) of the Act⁹ because it provides for the equitable allocation of dues, fees, and other charges.

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

SCCP does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

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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

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For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

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SOCIAL SECURITY ADMINISTRATION

Statement of Organization, Functions and Delegations of Authority

This statement amends Part T of the Statement of Organization, Functions and Delegations of Authority that covers the Social Security Administration

(SSA). Chapter TA covers the Deputy Commissioner for Disability and Income Security Programs. Notice is hereby given that Chapter TA, which covers the Office of the Deputy Commissioner, Disability and Income Security Programs, is being amended to reflect the establishment of the Information Technology Support Staff as a separate line organization.

Chapter TA

Office of Disability and Income Security Programs

Section TA.10 *The Office of the Deputy Commissioner, Disability and Income Security Programs—(Organization):*

The Office of the Deputy Commissioner, Disability and Income Security Programs under the leadership of the Deputy Commissioner, Disability and Income Security Programs includes:

Establish:

K. The Information Technology Support Staff (TAX).

Section TA.20 *The Office of the Deputy Commissioner, Disability and Income Security Programs—(Functions):*

Delete the last part of sentence #3 in paragraph C: “* * * and the technology that supports them.”

Delete the last two sentences from paragraph C: “Provides user support to all its subordinate components. Directs all systems activities supporting the Agency's electronic programmatic instructional system.”

Add:

K. The Information Technology Support Staff (TAX) provides expert advice and support to the Deputy Commissioner and Assistant Deputy Commissioner on the technology that supports Agency-level projects and initiatives that impact the Agency's policymaking processes. It provides user support to all its ODISP components. It directs all systems activities supporting the Agency's electronic programmatic instructional system.

Establish:

Subchapter (TAX)

Information Technology Support Staff

Section (TAX).00 *The Information Technology Support Staff—(Mission):*

The Information Technology Support Staff provides expert advice and support to the Deputy Commissioner and Assistant Deputy Commissioner on the technology that supports Agency-level projects and initiatives that impact the Agency's policymaking processes. It provides user support to all ODISP components. It directs all systems activities supporting the Agency's electronic programmatic instructional system.

Section (TAX).10 *The Information Technology Support Staff—(Organization):*

The Information Technology Support Staff does not have a substructure.

Section (TAX).20 *The Information Technology Support Staff—(Functions):*

1. Provides expert advice and support to the Deputy Commissioner and Assistant

⁷ For example, an ECN acting as a specialist would be subject to the trade recording fee for specialist trades matching with PACE trades.

⁸ SCCC's definition of ECN still generally conforms to the definition in Rule 11Ac1-1(a) (8) of the Act, 17 CFR 240.11Ac-1-(a)(8). As stated on SCCC's new proposed fee schedule, ECNs shall mean any electronic system that widely disseminates to third parties orders entered therein by a Phlx market maker or over-the-counter (“OTC”) market maker, and permits such orders to be executed against in whole or in part. The term ECN shall not include: any system that crosses multiple orders at one or more specified times at a single price set by the ECN (by algorithm or by any derivative pricing mechanism) and does not allow orders to be crossed or executed against directly by participants outside of such times or any system operated by, or on behalf of, an OTC market maker or exchange market maker that executes customer orders primarily against the account of such market maker as principal, other than riskless principal.

⁹ 15 U.S.C. 78q-1(b)(3)(D).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

¹² 17 CFR 200.30-3(a)(12).