

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43840; File No. SR-BSE-00-19]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 of Proposed Rule Change by the Boston Stock Exchange, Inc. Relating to its Fee Schedule

January 12, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 15, 2000, as amended on December 21, 2000,³ the Boston Stock Exchange, Inc. ("BSE" or "Exchange") 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 by the self-regulatory organization. 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 seeks to amend its Floor Operations Fee Schedule to include a \$1,000 monthly Electronic Trading Permits ("ETP") fee charged to members for each trader trading pursuant to an ETP from a remote location.

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 self-regulatory organization 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 III 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 Floor Operations Fee Schedule to include a \$1,000 per month ETP fee. This fee will be charged to all members on a per trader basis (*i.e.*, member firms will be billed \$1,000 per month per trader holding an ETP). The \$1,000 monthly fee is based on the Exchange's analysis of the additional costs that are necessary to operate the BSE's BEACON system from a remote location including, but not limited to, reengineering the design of the Exchange's network, several up-front and ongoing software reprogramming and enhancement efforts, initial and ongoing telecommunication costs, maintenance of equipment at remote locations, hiring and training additional "help desk" personnel specifically for the remote locations, travel costs incurred as a result of ongoing training, system upgrades and regulatory oversight of remote locations, and the creation and updating of training manuals and documentation for remote locations.⁴

2. Statutory Basis

The basis for the proposed rule change is Section 6(b)(4) of the Act,⁵ in that the proposed rule change is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its member other persons using its facilities.

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.

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

The Exchange has neither solicited nor received comments on the proposed rule change.

⁴ The Exchange understands that its proposal regarding the Electronic Fee Permits (SR-BSE-00-13) to which the fee proposed herein applies is pending before the Commission. Accordingly, the fees will not go into effect until such time as the Electronic Fee Permit rule change proposal is approved, and the permits are issued. (The Commission notes that, on December 22, 2000, the Commission issued an approval order for the EFPs, SR-BSE-00-13. See Securities Exchange Act Release No. 43766 (December 22, 2000), 66 FR 822 (January 4, 2001).

⁵ 15 U.S.C. 78f(b)(4).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change will become effective upon filing of Amendment No. 1 pursuant to Section 19(b)(3) of the Act⁶ and subparagraph (e) of the Rule 19b-4.⁷ At any time within 60 days of the filing of such amended proposed rule change, the Commission may summarily abrogate such rule change if 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 Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to file number in the caption above and should be submitted by February 12, 2001.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 01-1805 Filed 1-19-01; 8:45 am]

BILLING CODE 8010-01-M

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See December 20, 2000 letter from John A. Boese, Assistant Vice President, Rule Development and Market Structure, BSE, to Madge Hamilton, Division of Market Regulation, Commission (Amendment No. 1). Amendment No. 1 is reflected in this release.

⁶ 15 U.S.C. 78s(b)(3).

⁷ 17 CFR 240.19b-4(e).

⁸ 17 CFR 200.30-3(a)(12).