



THE OPTIONS CLEARING
CORPORATION

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OFFICE OF THE SECRETARIAT

September 18, 2007

VIA E-MAIL

Ms. Eileen A. Donovan
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2007-10 Rule Certification

Dear Ms. Donovan:

Attached is a copy of the above-referenced rule filing, which The Options Clearing Corporation ("OCC") is submitting pursuant to the self-certification procedures of Commission Regulation 40.6. This rule filing has been, or is concurrently being, submitted to the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act").

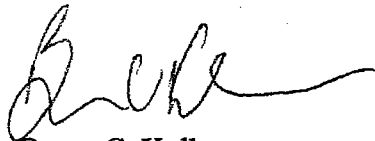
In conformity with the requirements of Regulation 40.6(a)(3), OCC states the following: The text of the rule is set forth at Item 1 of the enclosed filing. The date of implementation of the rule is October 1, 2007. No substantive opposing views were expressed to OCC by governing board or committee members, clearing members of OCC, or market participants, that were not incorporated into the rule.

OCC hereby certifies that the rule set forth at Item 1 of the enclosed filing complies with the Commodity Exchange Act and the Commission's regulations thereunder.

Ms. Eileen A. Donovan
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Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at (877) 501-1929.

Sincerely,



Bruce C. Kelber
Vice President &
Associate General Counsel

Attachments

cc: CFTC Central Region (w/ enclosure)
525 West Monroe Street, Suite 1100
Chicago, IL 60661
Attn: Frank Zimmerle

2007-10 cftc.ltr

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change
by

THE OPTIONS CLEARING CORPORATION

**Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934**

Item 1. Text of the Proposed Rule Change

As described in Item 3 below, The Options Clearing Corporation (“OCC”) proposes to: (i) eliminate the fee charged to clearing members for Theoretical Profit and Loss Values and provide this information at no additional cost as part of the ancillary services offered to Tier I clearing members;¹ (ii) reduce the maximum fee charged to non-clearing members for such information; (iii) make conforming changes to OCC’s Schedule of Fees and the Supplement to the Agreement for OCC Services: Ancillary Services (the “Ancillary Services Supplement”) to reflect recent modifications to OCC’s ancillary service descriptions; and (iv) adopt a new Supplement to the Agreement for OCC Services: Theoretical Profit and Loss Values. Material enclosed in brackets has been deleted, and material marked by underlining has been added.

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of OCC at a meeting held on May 22, 2007.

Questions regarding the proposed rule change should be addressed to Bruce C. Kelber, Vice President and Associate General Counsel, at (877) 501-1929.

¹ In August, 2002, OCC implemented a four-tiered fee structure for its ancillary services with a different bundle of services offered at a fixed cost for each tier. See Release No. 34-46339, dated August 12, 2002.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of this rule change is to: (i) eliminate the fee charged to clearing members for Theoretical Profit and Loss Values and provide this information at no additional charge as part of the ancillary services offered to Tier I clearing members; and (ii) reduce the maximum fee charged to non-clearing members for such information. As a result of these changes in fees and service offerings, conforming changes are required in OCC's Schedule of Fees, as well as the Supplement to the Agreement for OCC Services: Ancillary Services. In addition, a new Supplement to the Agreement for OCC Services is being adopted to reflect that Theoretical Profit and Loss Values are now being provided to clearing members as part of OCC's ancillary service offerings.

A. Background

The Options Clearing Corporation ("OCC") currently provides a theoretical profit/loss value file (the "Data") to OCC clearing members and non-clearing member broker-dealers for use in calculating: (i) risk-based haircuts in order to determine SEC net capital requirements; and (ii) margin for customer positions on a portfolio basis. Currently, the Data is made available for download to OCC clearing members and non-clearing members by either: (i) mainframe to mainframe transmission; (ii) File Transfer Protocol ("FTP");² or (iii) OCC's Theoretical

² OCC charges \$2,000.00 per month for clearing members and non-clearing members to access the Data via mainframe to mainframe transmission or FTP.

Information Online (“TIO”) system.³ Both the mainframe to mainframe transmission and the FTP processes provide for receipt of the full theoretical file, while TIO also allows partial file downloads.

B. Discussion

TIO once served as a practical and economical tool that allowed users to avoid downloading the entire theoretical file to access the desired information. The TIO “per class group” charge enabled clearing members and non-clearing members that needed Data for a relatively small subset of all equity classes to save money by using TIO as compared to the other two means of downloading the Data. However, the widespread availability of affordable broadband network services has practically eliminated the download time and other bandwidth-related concerns associated with downloading an entire file of theoretical values. Meanwhile, as more subscribers begin to use the customer margin risk arrays for customer positions margined on a portfolio basis, OCC believes the number of clearing members and non-clearing members that would benefit from having the option to download a partial file will continue to decline.

(1) Elimination or Reduction of Fees

In May, 2007, OCC’s Board of Directors authorized a plan to decommission the TIO system due to its limited value and high maintenance cost. The Data will remain available to clearing members and non-clearing members as a full file through either a mainframe to

³ OCC currently charges a monthly fee of \$0.10 per class group, with a minimum monthly charge of \$200.00 and a maximum monthly charge of \$2,000.00 for clearing members and non-clearing members accessing the Data via TIO.

mainframe transmission or FTP.⁴

Effective October 1, 2007, OCC will eliminate the fee for Theoretical Profit and Loss Values charged to clearing members and provide this information at no additional cost as part of the ancillary services offered to Tier I clearing members.⁵ Also effective October 1, 2007, OCC will reduce the fee for non-clearing members to receive the Data via mainframe to mainframe transmission or FTP⁶ to a flat rate of \$1,000.00 per month.⁷ Attached, as Exhibit 5A, is OCC's Schedule of Fees as of October 1, 2007, which reflects the foregoing changes.⁸

(2) Conforming Changes

As part of this filing, OCC is also making certain additional conforming changes to both its Schedule of Fees (Exhibit 5A) and its Ancillary Services Supplement, a copy of which

⁴ OCC staff will work with affected TIO subscribers to assist in their transition to FTP or mainframe to mainframe downloads by December 31, 2007.

⁵ There are a total of five clearing members that subscribe to OCC's theoretical data that are not Tier I subscribers. Based upon July 2007 billing for June activity, the increased monthly cost of subscribing to Tier I (\$450.00) would be more than offset for one of these clearing members by elimination of the separate charge for theoretical data (\$2,000.00 per month). The other four clearing members will have a monthly billing increase of approximately \$250. These four clearing members currently use TIO and on average download a minimal number of class groups per month.

⁶ In advance of this filing, SEC staff agreed that OCC could immediately implement the reduction in fees charged to non-clearing members for the Data pursuant to Section 19(b)(3)(A) of the Exchange Act and Rule 19b-4(f) thereunder.

⁷ OCC will continue to support and make the Data available through TIO until December 31, 2007. Clearing members and non-clearing members who continue to receive Data via TIO after October 1, 2007, will be charged the current TIO fees for the Data. However, effective January 1, 2008, TIO will be decommissioned, and the Data will no longer be available via TIO. As a result, the TIO fee will then be eliminated from the Schedule of Fees.

⁸ Exhibit 5A also contains references highlighting the phase-out approach that OCC is adopting with respect to the decommissioning of TIO and the impact to fees charged to clearing members and non-clearing members during this time period. Such notations will no longer be applicable after TIO is retired, and they will be eliminated in connection with the republication of the January, 2008 schedule of fees.

is attached hereto as Exhibit 5B, to reflect recent modifications to its ancillary service descriptions. Specifically, as of April, 2007, OCC no longer provides monthly core reports to clearing members via cd-rom as currently referenced in Tiers I, II, III, and IV of the Schedule of Fees and the Ancillary Services Supplement. Instead, clearing members now have access to historical core reports on-line through ENCORE Core Reports. In addition, OCC's special settlement file and adjusted position file as currently referenced in Tier 1 of the Schedule of Fees and the Ancillary Services Supplement are no longer separately produced for clearing members as this information is now made available as part of OCC's data distribution service ("DDS"). Finally, OCC has now completed its conversion of DDS subscribers to its new format as previously described in File No. SR-OCC-2006-06. Therefore, the surcharge currently referenced in OCC's Schedule of Fees in connection with the DDS conversion is no longer applicable, and will be removed along with each of the other above-described items.

(3) Supplement to Agreement for OCC Services: Theoretical Profit and Loss Values

Exhibit 5C to this filing is the Supplement to the Agreement for OCC Services: Theoretical Profit and Loss Values to be entered into between OCC and clearing members subscribing to Theoretical Profit and Loss Values (the "Supplement").⁹ The Supplement is structured to fit within OCC's existing framework for the Agreement for OCC Services, and will replace the current form agreement between clearing members and OCC. The provisions are generally self-explanatory, and they are intended to describe the respective responsibilities of OCC and the subscribing clearing member. Section 1 describes the Theoretical Profit and Loss

Values, and identifies the available means of downloading the Data. Sections 2 and 3 set forth the authorized scope of use of the Data and related documentation. Section 4 describes the clearing member's obligations with respect to security and access codes. Section 5 describes the Fees associated with the Data. Section 6 sets forth the confidential nature of the Data and documentation. Sections 7 through 11 set forth further responsibilities of the parties including warranties, liability and indemnification. Section 12 describes the termination rights of the parties. Section 13 contains general terms regarding survival of certain provisions. Exhibit A to the Supplement is the form of acknowledgment to be signed by a managed clearing member.

* * *

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because it involves a fee, due or charge applicable to clearing member subscribers of information that provides for a reasonable allocation of costs to provide ancillary services to clearing members. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

⁹ Non-clearing members will also be required to execute a corresponding subscription agreement for the Data.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f) thereunder, the proposed rule change is effective upon filing inasmuch as it pertains to fees charged to OCC clearing members and a reduction in the maximum fees charged to non-clearing members. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule 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.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

Item 9. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5A. OCC Schedule of Fees, effective October 1, 2007.

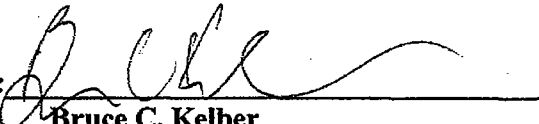
Exhibit 5B. Supplement to the Agreement for OCC Services: Ancillary Services

Exhibit 5C. Supplement to the Agreement for OCC Services: Theoretical Profit and Loss Values

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Options Clearing Corporation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By: 
Bruce C. Kelber
Vice President and
Associate General Counsel