



July 17, 2013

VIA ELECTRONIC MAIL

Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Rule Filing SR-OCC-2013-10 Rule Certification

Dear Secretary Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission Regulation (“CFTC”) 40.6, enclosed is a copy of the above-referenced rule filing submitted by The Options Clearing Corporation (“OCC”). The date of implementation of the rule is at least 10 business days following receipt of the rule filing by the CFTC or July 31, 2013. 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”). The text of the rule is set forth at Item 1 of the enclosed filing. In conformity with the requirements of Regulation 40.6(a)(7), OCC states the following:

Explanation and Analysis

OCC Rule 205 prescribes that OCC clearing members are required to submit instructions, notices, reports, data and other items to the Corporation electronically in accordance with procedures prescribed by the Corporation. The Rule is designed to promote operational efficiency and effectiveness and reduce input errors. Position-related post-trade (e.g., exercise notices, position adjustments) and collateral transactions are common examples of instructions submitted by clearing members electronically.

OCC supports the submission of these instructions through use of an Internet connection to OCC’s secured website. In 2006, OCC adopted a Policy Statement under Rule 205 requiring clearing members that primarily use the Internet to access OCC’s systems to maintain a secure back-up means of communication as a contingency to perform on a timely basis critical business activities in the event of an Internet outage, as well as to maintain service arrangements with two independent internet service providers.¹

The Policy Statement adopted at the time required clearing members to maintain: (i) separate service agreements with two (2) independent service providers, and (ii) an OCC-approved method for accessing OCC’s information and data systems even in the case of an Internet outage (the “Back-Up Communication Channel”).

¹ Securities Exchange Act Release No. 53980 (June 14, 2006)(SR-OCC-2006-04).

Guidelines were established so that the Back-Up Communication Channel authorized for a particular clearing member was determined in accordance with the firm's business profile using certain criteria. For example, a clearing member that: (i) ranked among the top twenty-five of cleared volume during a calendar year; (ii) cleared more than one account type as defined in OCC's By-Laws and Rules; (iii) cleared two or more product types; (iv) conducted Clearing Member Trade Assignment ("CMTA") business; (v) input a high volume of daily post-trade activity; (vi) generally utilized multiple forms of collateral; (vii) utilized most ancillary services offered by OCC; (viii) used a lease line for data transmissions, would generally be designated as a "Category A" firm. "Category A" firms were required to maintain a T1 line as an acceptable form of back-up communication channel.

A clearing member that: (i) transacted mid-level cleared volume during a calendar year; (ii) cleared only one or more account types as defined in OCC's By-Laws and Rules; (iii) cleared one or more product types; (iv) input a moderate to small volume of post-trade activity; (v) generally utilized one or two forms of collateral; (vi) may have utilized a lease line for data transmissions, were generally designated as a "Category B" firm. Under the Policy Statement, "Category B" firms were provided the option to either maintain a T1 line or ISDN connection as acceptable forms of a back-up communication channel.

A clearing member that: (i) transacted low-level cleared volume during a calendar year; (ii) cleared no more than one account type as defined in OCC's By-Laws and Rules; (iii) cleared no more than one product type; (iv) generally utilized one or two forms of collateral; (v) input minimal amounts of post-trade activity, would generally be designated as a "Category C" firm. "Category C" firms were given the option to maintain an ISDN connection, utilize OCC equipment if the clearing member was located in or near a city where OCC maintains operational center(s), or rely upon fax transmission in the event an internet connection was not available.

Recent denial of service attacks on financial institutions, along with changes in technology since the Policy Statement was first adopted, have prompted OCC to reassess the risk to operations should Internet connections supporting clearing member access to OCC's information and data systems be interrupted. Through this assessment, OCC has determined that its existing policy should be modified to ensure it is easily understood and properly implemented by the clearing membership.

OCC is now proposing to make updates to the Policy Statement intended to simplify the criteria applied to a given firm in determining the appropriate Back-Up Communication Channel. Instead of having three categories of Business Profiles that include several criteria to be applied, and offering multiple communication options available to a particular firm, the updated Policy Statement will contain two profiles. Clearing Members that rank in the top-25 of cleared volume during a calendar year or act as a facilities manager to one or more Clearing firms will be designated as a "Category A" firm, and will be required to maintain a T1 line as its Back-Up Communication Channel. All other firms will be designated as "Category B" firms, and will be required to maintain a T1 line or utilize a fax line, telephone or have ready access to an OCC office location.

OCC believes the proposed changes will present minimal to no impact to clearing members. In particular, all firms that were previously designated as "Category A" firms under the former policy will continue to be designated as "Category A" firms under the revised policy being proposed, and they will still be required to maintain a T1 line, as previously required. Those firms that will be designated as Category B firms under the proposed policy will now have increased flexibility under the back-up options being made available to them, in that they can select between a T1 Line, fax, telephone, or use an OCC

office if they are located in a city where OCC maintains an operational center. In preparation for the revisions to the Policy Statement, OCC has acquired new fax servers that have increased bandwidth to support multiple users that may select facsimile transmission as their available back-up communication method. Meanwhile, the telephone features used by OCC's Member Service staff are equipped so that calls are automatically routed to an available representative in the event a firm's designated contact is unavailable. Finally, OCC has confirmed that: (i) the number of Category B firms who are located in a city where OCC maintains an office; and (ii) do not currently maintain a T1 line, is sufficiently small enough so that OCC will be able to accommodate those firms who may need to utilize OCC's equipment in the event of an internet outage.

OCC also proposes to clarify the Policy Statement by expressly adding a requirement for each clearing member to provide OCC with an annual statement that the Clearing Member: (i) has been and continues to be in compliance with the Policy Statement; (ii) has tested its ability to access OCC's information and data systems using its Back-Up Communication Channel since the last reporting period; and (iii) will notify OCC within a reasonable period of any changes to their Internet Service Providers since the date of the last notice provided to OCC. While OCC believes that the existing policy reasonably and fairly implies that clearing members would not only remain in compliance with its requirements, but that clearing members would perform periodic testing of its Back-Up Communication Channel, we believe that the proposed modifications eliminate any ambiguity that may exist and help ensure that OCC has sufficient information to troubleshoot in case of an Internet outage, thereby helping to ensure that critical business activities can still be performed in a timely manner in such instances.

OCC reviewed the derivatives clearing organization ("DCO") core principles ("Core Principles") as set forth in the Commodity Exchange Act. During this review, OCC identified the following Core Principle as potentially being impacted:

System Safeguards. OCC believes the proposed updates to the Policy Statement will assist OCC in its Business Continuity and Disaster Recovery planning. Recent denial of service attacks on financial institutions, along with changes in technology since the Policy Statement was first adopted, prompted OCC to reassess the risk to operations should Internet connections supporting clearing member access to OCC's information and data systems be interrupted. The proposed updates to the Policy Statement are designed to ensure that OCC clearing members: (i) maintain service arrangements with two independent internet service providers; (ii) establish a secure back-up means of communication as a contingency to perform critical business activities, on a timely basis, in the event of an Internet outage; and (iii) and perform periodic testing of its back-up communication channels. OCC believes these updates to the Policy Statement will further OCC's ability to continue performing daily processing, clearing, and settlement of transactions cleared, in the event of a wide-scale disruption to Internet access..

Opposing Views

No opposing views were expressed related to the rule amendments.

Notice of Pending Rule Certification

OCC hereby certifies that notice of this rule filing has been given to Clearing Members of OCC in compliance with Regulation 40.6(a)(2) by posting a copy of the submission on OCC's website concurrently with the filing of this submission.

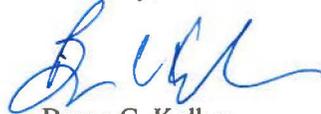
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Certification

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

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Bruce C. Kelber
Vice President & Associate General Counsel

Enclosure

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

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

The Options Clearing Corporation (“OCC”) proposes to make certain changes to its Policy Statement adopted under Rule 205 entitled “Back-up Communication Channel to Internet Access” requiring clearing members that use the Internet as their primary means to access OCC’s information and data systems to maintain a secure back-up means of communication in order to provide for business continuance in the event of an Internet outage (the “Policy Statement”).¹ The purpose of the proposed changes is to simplify the criteria used in determining the appropriate method of communication for a given clearing member from an OCC-approved list. Text of Policy Statement is attached hereto as Exhibit 3. Material proposed to be added to the Policy Statement as currently in effect is underlined. Material proposed to be deleted is enclosed in bold brackets.

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by OCC’s Board of Directors at a meeting held on May 21, 2013.

Questions regarding the proposed rule change should be addressed to Bruce C. Kelber, Vice President and Associate General Counsel, at (817) 562-3591.

¹ Securities Exchange Act Release No. 53980 (June 14, 2006)(SR-OCC-2006-04). The Policy Statement entitled “Back-Up Communication Channel to Internet Access”, which was not incorporated in OCC’s Rules, but was adopted as a stand-alone document, became effective on May 1, 2006.

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

OCC Rule 205 prescribes that OCC clearing members are required to submit instructions, notices, reports, data and other items to the Corporation electronically in accordance with procedures prescribed by the Corporation. The Rule is designed to promote operational efficiency and effectiveness and reduce input errors. Position-related post-trade (e.g., exercise notices, position adjustments) and collateral transactions are common examples of instructions submitted by clearing members electronically.

OCC supports the submission of these instructions through use of an Internet connection to OCC's secured website. In 2006, OCC adopted a Policy Statement under Rule 205 requiring clearing members that primarily use the Internet to access OCC's systems to maintain a secure back-up means of communication as a contingency to perform on a timely basis critical business activities in the event of an Internet outage, as well as to maintain service arrangements with two independent internet service providers.²

The Policy Statement adopted at the time required clearing members to maintain: (i) separate service agreements with two (2) independent service providers, and (ii) an OCC-approved method for accessing OCC's information and data systems even in the case of an Internet outage (the "Back-Up Communication Channel").

Guidelines were established so that the Back-Up Communication Channel authorized for a particular clearing member was determined in accordance with the firm's

² Securities Exchange Act Release No. 53980 (June 14, 2006)(SR-OCC-2006-04).

business profile using certain criteria. For example, a clearing member that: (i) ranked among the top twenty-five of cleared volume during a calendar year; (ii) cleared more than one account type as defined in OCC's By-Laws and Rules; (iii) cleared two or more product types; (iv) conducted Clearing Member Trade Assignment ("CMTA") business; (v) input a high volume of daily post-trade activity; (vi) generally utilized multiple forms of collateral; (vii) utilized most ancillary services offered by OCC; (viii) used a lease line for data transmissions, would generally be designated as a "Category A" firm. "Category A" firms were required to maintain a T1 line as an acceptable form of back-up communication channel.

A clearing member that: (i) transacted mid-level cleared volume during a calendar year; (ii) cleared only one or more account types as defined in OCC's By-Laws and Rules; (iii) cleared one or more product types; (iv) input a moderate to small volume of post-trade activity; (v) generally utilized one or two forms of collateral; (vi) may have utilized a lease line for data transmissions, were generally designated as a "Category B" firm. Under the Policy Statement, "Category B" firms were provided the option to either maintain a T1 line or ISDN connection as acceptable forms of a back-up communication channel.

A clearing member that: (i) transacted low-level cleared volume during a calendar year; (ii) cleared no more than one account type as defined in OCC's By-Laws and Rules; (iii) cleared no more than one product type; (iv) generally utilized one or two forms of collateral; (v) input minimal amounts of post-trade activity, would generally be designated as a "Category C" firm. "Category C" firms were given the option to maintain an ISDN connection, utilize OCC equipment if the clearing member was located in or near a city where OCC maintains operational

center(s), or rely upon fax transmission in the event an internet connection was not available.

Recent denial of service attacks on financial institutions, along with changes in technology since the Policy Statement was first adopted, have prompted OCC to reassess the risk to operations should Internet connections supporting clearing member access to OCC's information and data systems be interrupted. Through this assessment, OCC has determined that its existing policy should be modified to ensure it is easily understood and properly implemented by the clearing membership.

OCC is now proposing to make updates to the Policy Statement intended to simplify the criteria applied to a given firm in determining the appropriate Back-Up Communication Channel. Instead of having three categories of Business Profiles that include several criteria to be applied, and offering multiple communication options available to a particular firm, the updated Policy Statement will contain two profiles. Clearing Members that rank in the top-25 of cleared volume during a calendar year or act as a facilities manager to one or more Clearing firms will be designated as a "Category A" firm, and will be required to maintain a T1 line as its Back-Up Communication Channel. All other firms will be designated as "Category B" firms, and will be required to maintain a T1 line or utilize a fax line, telephone or have ready access to an OCC office location.

OCC believes the proposed changes will present minimal to no impact to clearing members. In particular, all firms that were previously designated as "Category A" firms under the former policy will continue to be designated as "Category A" firms under the revised policy being proposed, and they will still be required to maintain a T1 line, as previously required.

Those firms that will be designated as Category B firms under the proposed policy will now have increased flexibility under the back-up options being made available to them, in that they can select between a T1 Line, fax, telephone, or use an OCC office if they are located in a city where OCC maintains an operational center. In preparation for the revisions to the Policy Statement, OCC has acquired new fax servers that have increased bandwidth to support multiple users that may select facsimile transmission as their available back-up communication method.

Meanwhile, the telephone features used by OCC's Member Service staff are equipped so that calls are automatically routed to an available representative in the event a firm's designated contact is unavailable. Finally, OCC has confirmed that: (i) the number of Category B firms who are located in a city where OCC maintains an office; and (ii) do not currently maintain a T1 line, is sufficiently small enough so that OCC will be able to accommodate those firms who may need to utilize OCC's equipment in the event of an internet outage.

OCC also proposes to clarify the Policy Statement by expressly adding a requirement for each clearing member to provide OCC with an annual statement that the Clearing Member: (i) has been and continues to be in compliance with the Policy Statement; (ii) has tested its ability to access OCC's information and data systems using its Back-Up Communication Channel since the last reporting period; and (iii) will notify OCC within a reasonable period of any changes to their Internet Service Providers since the date of the last notice provided to OCC. While OCC believes that the existing policy reasonably and fairly implies that clearing members would not only remain in compliance with its requirements, but that clearing members would perform periodic testing of its Back-Up Communication Channel,

we believe that the proposed modifications eliminate any ambiguity that may exist and help ensure that OCC has sufficient information to troubleshoot in case of an Internet outage, thereby helping to ensure that critical business activities can still be performed in a timely manner in such instances.

* * *

The proposed changes to OCC's Rules are consistent with the purposes and requirements of Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 ("Act")³ and the rules and regulations thereunder because they are designed to promote the prompt and accurate clearance and settlement of securities transactions by simplifying the criteria used to determine the authorized Back-Up Communication Channel(s) that may be used by a given clearing member in the event the Internet is not available, and reducing the administrative oversight associated with making such determinations. The updates to OCC's Policy Statement further clarify the means by which clearing members are required to notify OCC of the Back-Up Communication Channel(s) adopted by each clearing member, along with the internet service providers being used, and confirmation that each clearing member has tested its ability to access OCC's systems, thereby helping to ensure that critical business activities can still be performed in a timely manner even in the event of an Internet outage. The proposed rule change is not inconsistent with the existing rules of OCC, including any rules proposed to be amended.

³ 15 U.S.C. 78q-1(b)(3)(F).

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

OCC does not believe that the proposed rule change will materially impact, or impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change affects OCC's clearing members, but it would not impose any additional burden on them because they are already required to maintain a secure back-up means of communication as a contingency to perform critical business activities, on a timely basis, in the event of an Internet outage, as well as, to maintain service arrangements with two independent internet service providers. In fact, OCC believes that the proposed rule change promotes a more efficient, effective, and safe procedure for clearance and settlement by simplifying the criteria used to determine the appropriate back-up method of communication for a given clearing member. Although some firms are required to maintain a T1 line, while others may adopt alternative back-up communication methods suitable for their operations from an approved list of options, those clearing members who are required to maintain a T1 line are limited to those that rank among the highest cleared volume, or act as facilities managers to one or more clearing firms. As such, the proposed rule is reasonably designed to promote the prompt and accurate clearance and settlement of securities transactions by establishing an appropriate form of back-up communication method based on the specific nature of each clearing member's operations.

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest and consistent with the requirements of the Act applicable to clearing agencies because it would not impose a burden on competition that is unnecessary or inappropriate in furtherance of the purposes of the Act.

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

OCC does not consent to an extension of the time period for Commission action on the proposed rule change.

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

This rule change has been filed for immediate effectiveness pursuant to Section 19(b)(3)(A)(i)⁴ of the Act and paragraph (f)(1) of Rule 19b-4⁵ thereunder on the basis that the proposed rule change constitutes a stated policy, practice or interpretation with respect to the administration, meaning or enforcement of an existing rule. While the updates to the Policy

⁴ 15 U.S.C. 78s(b)(3)(A)(i).

⁵ 17 C.F.R. 240.19b-4(f)(1).

Statement now expressly provide for clearing members to notify OCC of both the Back-Up Communication Channel(s) adopted by each clearing member, as well as the names of its internet service providers, and to confirm for OCC that it has tested its ability to access OCC's systems, OCC believes that such requirements were reasonably and fairly implied within the existing Policy Statement, and that clarifying these requirements through the proposed updates will help avoid any ambiguity that may exist and ensure that OCC has sufficient information to troubleshoot in case of an Internet outage, thereby helping to ensure that critical business activities can still be performed in a timely manner in the event of an Internet outage. In accordance with the regulations of the CFTC, OCC will not implement the rule change prior to the 10th business day after the date of filing.

Item 8. Proposed Rule Change Based on Rules for Another Regulatory Organization or of the Commission

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

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. **Exhibits**

Exhibit 1A Completed notice of proposed rule change for publication in
the Federal Register.

Exhibit 3 Policy Statement: Back-Up Communication Channel to Internet
Access.

SIGNATURES

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

THE OPTIONS CLEARING CORPORATION

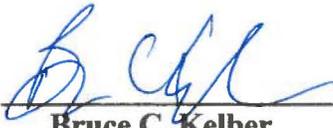
By:  _____
Bruce C. Kelber
Vice President and
Associate General Counsel

EXHIBIT 1A

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-____; File No. SR-OCC-2013-10)

July 17, 2013

Clearing Agency; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Policy Statement adopted under Rule 205 entitled “Back-up Communication Channel to Internet Access”

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder² notice is hereby given that on July 17, 2013, The Options Clearing Corporation (“OCC”) 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 OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

OCC proposes to make certain changes to its Policy Statement adopted under Rule 205 entitled “Back-up Communication Channel to Internet Access” requiring clearing members that use the Internet as their primary means to access OCC’s information and data systems to maintain a secure back-up means of communication in order to provide for business continuance in the event of an Internet outage.

¹ 15 U.S.C. 78s(b)(1).

² 17 C.F.R. 240.19b-4.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

OCC Rule 205 prescribes that OCC clearing members are required to submit instructions, notices, reports, data and other items to the Corporation electronically in accordance with procedures prescribed by the Corporation. The Rule is designed to promote operational efficiency and effectiveness and reduce input errors. Position-related post-trade (e.g., exercise notices, position adjustments) and collateral transactions are common examples of instructions submitted by clearing members electronically.

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(i) separate service agreements with two (2) independent service providers, and (ii) an OCC-approved method for accessing OCC's information and data systems even in the case of an Internet outage (the "Back-Up Communication Channel").

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A clearing member that: (i) transacted low-level cleared volume during a calendar year; (ii) cleared no more than one account type as defined in OCC's By-Laws and Rules; (iii)

cleared no more than one product type; (iv) generally utilized one or two forms of collateral; (v) input minimal amounts of post-trade activity, would generally be designated as a “Category C” firm. “Category C” firms were given the option to maintain an ISDN connection, utilize OCC equipment if the clearing member was located in or near a city where OCC maintains operational center(s), or rely upon fax transmission in the event an internet connection was not available.

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members. In particular, all firms that were previously designated as “Category A” firms under the former policy will continue to be designated as “Category A” firms under the revised policy being proposed, and they will still be required to maintain a T1 line, as previously required.

Those firms that will be designated as Category B firms under the proposed policy will now have increased flexibility under the back-up options being made available to them, in that they can select between a T1 Line, fax, telephone, or use an OCC office if they are located in a city where OCC maintains an operational center. In preparation for the revisions to the Policy Statement, OCC has acquired new fax servers that have increased bandwidth to support multiple users that may select facsimile transmission as their available back-up communication method.

Meanwhile, the telephone features used by OCC’s Member Service staff are equipped so that calls are automatically routed to an available representative in the event a firm’s designated contact is unavailable. Finally, OCC has confirmed that: (i) the number of Category B firms who are located in a city where OCC maintains an office; and (ii) do not currently maintain a T1 line, is sufficiently small enough so that OCC will be able to accommodate those firms who may need to utilize OCC’s equipment in the event of an internet outage.

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implies that clearing members would not only remain in compliance with its requirements, but that clearing members would perform periodic testing of its Back-Up Communication Channel, we believe that the proposed modifications eliminate any ambiguity that may exist and help ensure that OCC has sufficient information to troubleshoot in case of an Internet outage, thereby helping to ensure that critical business activities can still be performed in a timely manner in such instances.

The proposed changes to OCC's Rules are consistent with the purposes and requirements of Section 17A(b)(3)(F) of the Securities Exchange Act of 1934 ("Act")⁴ and the rules and regulations thereunder because they are designed to promote the prompt and accurate clearance and settlement of securities transactions by simplifying the criteria used to determine the authorized Back-Up Communication Channel(s) that may be used by a given clearing member in the event the Internet is not available, and reducing the administrative oversight associated with making such determinations. The updates to OCC's Policy Statement further clarify the means by which clearing members are required to notify OCC of the Back-Up Communication Channel(s) adopted by each clearing member, along with the internet service providers being used, and confirmation that each clearing member has tested its ability to access OCC's systems, thereby helping to ensure that critical business activities can still be performed in a timely manner even in the event of an Internet outage. The proposed rule change is not inconsistent with the existing rules of OCC, including any rules proposed to be amended.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

(B) Clearing Agency's Statement on Burden on Competition

OCC does not believe that the proposed rule change will materially impact, or impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change affects OCC's clearing members, but it would not impose any additional burden on them because they are already required to maintain a secure back-up means of communication as a contingency to perform critical business activities, on a timely basis, in the event of an Internet outage, as well as, to maintain service arrangements with two independent internet service providers. In fact, OCC believes that the proposed rule change promotes a more efficient, effective, and safe procedure for clearance and settlement by simplifying the criteria used to determine the appropriate back-up method of communication for a given clearing member. Although some firms are required to maintain a T1 line, while others may adopt alternative back-up communication methods suitable for their operations from an approved list of options, those clearing members who are required to maintain a T1 line are limited to those that rank among the highest cleared volume, or act as facilities managers to one or more clearing firms. As such, the proposed rule is reasonably designed to promote the prompt and accurate clearance and settlement of securities transactions by establishing an appropriate form of back-up communication method based on the specific nature of each clearing member's operations.

For the foregoing reasons, OCC believes that the proposed rule change is in the public interest and consistent with the requirements of the Act applicable to clearing agencies because it would not impose a burden on competition that is unnecessary or inappropriate in furtherance of the purposes of the Act.

(C) Clearing Agency'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.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(i)⁵ of the Act and paragraph (f)(1) of Rule 19b-4⁶ thereunder on the basis that the proposed rule change constitutes a stated policy, practice or interpretation with respect to the administration, meaning or enforcement of an existing rule. OCC will delay the implementation of the rule change until it is deemed certified under CFTC Regulation § 40.6.

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.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-

⁵ 15 U.S.C. 78s(b)(3)(A)(i).

⁶ 17 C.F.R. 240.19b-4(f)(1).

2013-10 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2013-10. 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, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>).

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 website viewing and printing in the Commission's Public Reference Section, 100 F Street, N.E., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at <http://www.theocc.com/about/publications/bylaws.jsp>. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-OCC-2013-10 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated Authority.⁷

Kevin M. O'Neill
Deputy Secretary

Action as set forth recommended herein
APPROVED pursuant to authority delegated by
the Commission under Public Law 87-592.
For: Division of Trading and Markets

By: _____

Print Name: _____

Date: _____

⁷ C.F.R. 200.30-3(a)(12).

THE OPTIONS CLEARING CORPORATION

POLICY STATEMENT

Back-Up Communication Channel to Internet Access

Purpose. The Options Clearing Corporation (“OCC”) hosts and maintains a Secure Website providing Clearing Members with on-line access to various applications and services offered by OCC through the Internet via the URL <http://www.myocc.com>. OCC has determined that it is critical for Clearing Members relying upon the Internet for access to such applications and services to maintain a secure back-up to Internet access (the “Back-Up Communication Channel”) in order to be able to perform critical business activities in a timely manner even in the event of an Internet outage. This Policy Statement sets forth the OCC-approved Back-Up Communication Channels. It may be amended from time to time.

Policy. Clearing Members accessing the Secure Website through an Internet connection must: (a) maintain separate service agreements with at least two (2) independent Internet Service Providers; and (b) establish a secure Back-Up Communication Channel, as set forth below, that is applicable to the Category that best describes the Clearing Member’s Business Profile:

Business Profile	Back-Up Communication Channel
Category A	
<ul style="list-style-type: none"> • Ranks in the top 25 Clearing Members with the highest cleared volume during a calendar year • <u>Acts as Facilities Manager to one or more Clearing Firms</u> • [Clears more than one account type as defined in OCC’s By-Laws and Rules • Clears two or more product types • Conducts Clearing Member Trade Assignment (“CMTA”) business • High volume of daily post-trade input • Generally utilizes multiple forms of collateral • Utilizes most ancillary services offered by OCC • Currently uses Lease Line for data transmissions] 	T1 Line
Category B	

<ul style="list-style-type: none"> • <u>For all those not in Category A</u> • [Has mid-level volume • Clears only one or more account types as defined in OCC's By-Laws and Rules • Clears one or more product types • Moderate to small volume of post-trade input • Generally utilizes one or two forms of collateral • May utilize Lease Line for data transmissions] 	<p>T1 Line, [or ISDN]Fax, Telephone, or OCC Offices¹</p>
<p>[Category C]</p>	
<ul style="list-style-type: none"> • [Has low-level volume • Clears no more than one account type as defined in OCC's By-Laws and Rules • Clears no more than one product type • Generally utilizes one or two forms of collateral • Minimal post-trade input] 	<p>[ISDN, OCC office² or fax input]</p>

The Business Profiles set forth above are intended to serve as guidelines of the types of criteria that will be used by OCC to determine the Back-Up Communication Channel applicable to a particular Clearing Member. OCC staff will be available to discuss the Business Profile that best fits a particular Clearing Member taking into consideration the transaction volume and account activity of the Clearing Member. Notwithstanding the foregoing, OCC reserves the right to determine, in its sole discretion, the Back-Up Communication Channel applicable to a specific Clearing Member. In addition, OCC may periodically review the Business Profile of a Clearing Member and require changes to its existing Back-Up Communication Channel so as to comply with the guidelines described above.

Certification. Clearing Members are required to certify compliance with this Policy Statement on an annual basis, and shall include in such certification: (i) a statement that the Clearing Member has been and continues to be in compliance with the Policy Statement since the last reporting period; and (ii) a statement that the clearing member has tested its ability to access OCC's information and data systems using its Back-Up Communication Channel since the last reporting period. Each Clearing Member shall further notify OCC within a reasonable period of any changes to their Internet Service Providers since the date of the last notice provided to OCC under this Policy.

¹ Smaller firms that rely solely on the Internet can utilize OCC equipment if the clearing member is located in or near a city where OCC maintains operational centers.

[² Smaller firms that rely solely on the Internet can utilize OCC equipment if the clearing member is located in or near a city where OCC maintains operational centers.]