

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

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Item 1. Text of the Proposed Rule Change

On July 1, 2004, The Options Clearing Corporation (“OCC”) reduced its clearing fees for securities option contracts for the second time in 2004 with the expectation that clearing fees would revert on the first trading day of January, 2005 to the levels in effect immediately before the July 1st reduction. See Filing No. SR-OCC-2004-12. However, OCC has determined to continue this fee reduction in effect until further action by its Board of Directors. Item 3 below sets forth OCC’s clearing fees for securities option contracts, effective January 1, 2005.

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 December 7, 2004.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, First Vice President and Deputy General Counsel, at (312) 322-6269.

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 continue in effect the July 1, 2004 reduction in clearing fees for securities option contracts until OCC’s Board of Directors determines otherwise. As a result, effective January 1, 2005, OCC’s clearing fees will continue to be as follows:

Contracts Per Trade	Per Contract Fee, Effective January 1, 2005
0 – 500	\$0.07
501 – 1,000	\$0.06
1,001 – 2,000	\$0.05
> 2,000	\$95.00 (capped)

The continued fee reduction recognizes the strong volume in securities options in 2004. OCC believes that this fee reduction will financially benefit clearing members and other market participants without adversely affecting OCC's ability to meet its expenses and maintain an acceptable level of retained earnings.

* * *

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), because it benefits clearing members by reducing clearing fees and allocates such fees among clearing members in a fair and equitable manner. 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.

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 Exchange Act and Rule 19b-4(f) thereunder, the proposed rule change is effective upon filing inasmuch as it pertains to changing fees imposed on clearing members (i.e., the fees to which OCC would otherwise have reverted on January 1, 2005). 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.

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: _____
William H. Navin
Executive Vice President and
General Counsel