

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

Effective July 1, 2005, The Options Clearing Corporation (“OCC”) reduced its discounted clearing fees for securities options until further action by the OCC Board of Directors. (See Filing No. SR-OCC-2005-08.) Effective October 1, 2005, OCC extended the reduced fee schedule to fees charged to OneChicago for trades where at least one side of the trade is cleared by an OCC clearing member. (See Filing No. SR-OCC-2005-13.) In light of the increased contract volume experienced by OCC through the first six months of 2006, OCC is proposing to further reduce its discounted fee schedule for (i) securities options and (ii) security futures where at least one side of the trade is cleared by an OCC clearing member, effective for the period September 1, 2006 through December 29, 2006. December 29, 2006 is the last trading day of 2006.

OCC’s Schedule of Fees, as effective on September 1, 2006, is attached hereto as Exhibit 5. Material added to the Schedule of Fees is marked by underlining. Material deleted therefrom is enclosed in brackets.

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 July 25, 2006.

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 further reduce OCC's currently discounted clearing fees for (i) securities options and (ii) security futures where at least one side of the trade is cleared by an OCC clearing member for the period September 1, 2006 through December 29, 2006. Clearing fees for such contracts will be reduced as reflected in the following chart:

<u>Contracts/ Trade</u>	<u>Discounted Fee Effective July 1, 2005</u>	<u>Discounted Fee Effective September 1, 2006 through December 29, 2006</u>
1-500	\$0.05/contract	\$0.035/contract
501-1,000	\$0.04/contract	\$0.028/contract
1,001-2,000	\$0.03/contract	\$0.021/contract
>2,000	\$55.00 (capped)	\$35.00 (capped)

The additional fee reduction recognizes the increased contract volume experienced by OCC through the first six months of 2006. 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 "Act"), because it benefits clearing members and other market participants by reducing clearing fees and allocates such fees 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 Act and Rule 19b-4(f) thereunder, the proposed rule change is effective upon filing inasmuch as it pertains to a reduction in fees. 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

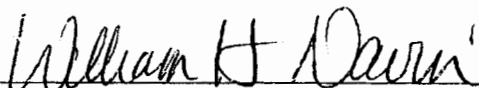
Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. OCC Schedule of Fees, September 1, 2006

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**