

Memorandum

To: Members and Member Organizations

From: William N. Briggs, Executive Vice President
Strategic Financial Management and Administration

Date: March 3, 2008

Re: Fee Rate Advisory Issued by the Securities and Exchange Commission
Relating to Section 31 Fees

The Securities and Exchange Commission (“Commission”) issued a fee rate advisory on February 29, 2008, which is set forth, in part, below:

Pursuant to Section 31(j) of the Securities Exchange Act of 1934, the Commission has determined it must reduce the Section 31 fee rate. Effective April 1, 2008, the Section 31 fee rate for fiscal 2008 will decrease almost 50 percent, from the current rate of \$11.00 per million to a revised rate of \$5.60 per million.

The Act requires the Commission to adjust the Section 31 fee rate if it estimates that the baseline estimate of dollar volume for fiscal 2008 that was used to calculate the current annual rate (\$11.00 per million) is reasonably likely to be at least 10 percent greater or less than the actual dollar volume of securities transactions for fiscal 2008. To make its determination, the Commission used market projections based on the most recent information on dollar volume of securities transactions thus far in fiscal year 2008.

The Commission consulted with the Congressional Budget Office and the Office of Management and Budget regarding the mid-year adjustment, as required by Section 31(j)(2) of the Act. A copy of the Commission's order and calculation methodology is available at <http://www.sec.gov>.

The Office of Interpretation and Guidance in the Commission's Division of Trading and Markets is available for questions on Section 31 fees at (202) 551-5777, or by e-mail at tradingandmarkets@sec.gov.

The Commission will announce the fiscal year 2009 rates for fees paid under Section 31 of the Securities Exchange Act of 1934 no later than April 30, 2008. These rates will become effective on Oct. 1, 2008, or after the date on which the Commission receives its fiscal 2009 regular appropriation, whichever comes later.