

June 20, 2003

VIA AIRBORNE EXPRESS #6656797453

Mr. Jerry Carpenter
Associate Director
Division of Market Regulation
Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, NW, Suite 5198
Mail Stop 2-2
Washington, DC 20549

Re: SR-NSCC-2003-12 (Amendment No. 1)

Dear Mr. Carpenter:

Please note that section three (3) of the above rule filing has been amended by the addition of the following descriptive text that has been **boldfaced and underlined**:

(a) The purpose of the proposed rule change is to make technical changes to NSCC's procedures to conform them to actual practice. NSCC issues output to members in various formats at different intervals throughout the day. The frequency and the types of available information is dependent on the format of the output. The changes make it clear that the frequency and availability of information is dependent on format.

Historically, NSCC's reporting of equity trading activity on behalf of various participants and marketplaces was limited to reporting at the end of the trading/processing day, with report output produced to participants and marketplaces in both a Print Image ("PI") and Machine Readable Output ("MRO") form.

With PI output, data appears as a formatted report with predefined columns of information. PI formatted information is "reader friendly", includes both activity and total fields, and is usually produced at end-of-day, reflecting the total activity reported by the participant for that processing day. MRO consists of a continuous strand of data, and the receiver uses an NSCC defined record layout that identifies each specific field of data to populate the information into its own internal reports. MRO output contains additional fields of useful data that does not appear on PI output. Participants that utilize MRO output may receive multiple transmissions of data throughout the processing day, and each transmission of data generally reflects activity only. Participants accumulate their intra-day output files from NSCC throughout the day, and the sum of the accumulated files will represent their total activity reported to NSCC for that processing day.

A second clarifying change that is being made is to indicate that NSCC performs comparison processing only for OTC and non-NYSE/Amex Exchange trades. The rules previously provided that when the NYSE and Amex provided comparison processing, NSCC would no longer perform these functions for securities traded on these Exchanges. As the NYSE and Amex currently provide this function, references to comparison processing for NYSE/Amex equities is being deleted.

I would appreciate your acknowledging receipt of this letter and its enclosures by stamping or signing the enclosed copy of this letter in the space provided and returning it to me, in the enclosed self-addressed envelope.

Very truly yours,

National Securities Clearing Corporation

By: /s/Karen L. Saperstein
Karen L. Saperstein
Managing Director and General Counsel

Enclosures

cc: Larry E. Bergmann
Senior Associate Director

Received By:
