

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](mailto:rule-comments@sec.gov). Please include File Number SR-NASD-2003-168 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR-NASD-2003-168. 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 Web site (<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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of NASD. 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-NASD-2003-168 and should be submitted on or before July 20, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>16</sup>

**J. Lynn Taylor,**

*Assistant Secretary.*

[FR Doc. E6-10436 Filed 7-3-06; 8:45 am]

**BILLING CODE 8010-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-54055; File No. SR-NYSE-2006-32]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving Proposed Rule Change Relating to the NYSE Retail Trading Product and the NYSE Program Trading Product**

June 28, 2006.

#### **I. Introduction**

On May 9, 2006, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change relating to the NYSE Retail Trading Product and the NYSE Program Trading Product (collectively, the "NYSE Trading Information Products").<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on May 24, 2006.<sup>4</sup> The Commission received no comments regarding the proposal. This order approves the proposed rule change.

#### **II. Description of the Proposal**

The NYSE Retail Trading Product consists of: (A) A real-time data feed of certain execution report information that has been recorded as trades for the accounts of "individual investors;"<sup>5</sup> and (B) an end-of-day summary of the retail trading activity on the Exchange for that day, including total buy and sell retail share volume for each stock traded. The NYSE Program Trading Product consists of: (A) A real-time data feed of certain execution report information that has been recorded as program trades;<sup>6</sup> and (B) an end-of-day summary of program trading activity on the Exchange for that day, including total index arbitrage program trading volume. Each published report of a trade execution that is included in the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> A proposal to introduce the NYSE Trading Information Products without charge as a 60-day pilot program was effective upon filing with the Commission. See Securities Exchange Act Release No. 53835 (May 18, 2006), 71 FR 30456 (May 26, 2006).

<sup>4</sup> See Securities Exchange Act Release No. 53834 (May 18, 2006), 71 FR 30011.

<sup>5</sup> For purposes of the NYSE Retail Trading Product, the account of an "individual investor" means an account covered by section 11(a)(1)(E) of the Act. 15 U.S.C. 78k(a)(1)(E).

<sup>6</sup> For purposes of the NYSE Program Trading Product, "program trading" refers to program trading as defined in NYSE Rule 80A, Supplementary Material .40(b).

data feed for either product will indicate such information as the security's symbol, the size of the trade, the time of the trade's execution, and other related information.

The NYSE proposes to establish fees for these data products. Specifically, NYSE proposes to charge a \$1,500 monthly access fee for receipt of the NYSE Retail Trading Product data feed (for receipt of the real-time data feed, the end-of-day summaries, or both); a \$1,500 monthly access fee for receipt of the NYSE Program Trading Product data feed (for receipt of the real-time data feed, the end-of-day summaries, or both); a \$2.00 monthly display fee for each display device receiving the NYSE Retail Trading Product information and/or the NYSE Program Trading Product information that the vendor makes available from the real-time data feed; and a \$250 monthly fee for vendors that only provide end of day summaries of NYSE Trading Information Products.

In addition, the NYSE proposes to provide each vendor of the NYSE Trading Information Products with a monthly credit of \$2 for each device that the vendor has entitled to receive displays of the NYSE Trading Information Products, up to a maximum of either \$3,000 per month if the vendor pays the monthly access fees for both the NYSE Retail Trading Product data feed and the NYSE Program Trading Product data feed (which total monthly access fees total \$3,000); or \$1,500 per month if the vendor pays the monthly access fees for either the NYSE Retail Trading Product data feed or the NYSE Program Trading Product data feed, but not both (either of which monthly access fees equals \$1,500).

Finally, NYSE proposes to require vendors receiving the NYSE Trading Information Products, to provide subscribers, by link or otherwise, in a manner that is reasonably transparent and accessible to subscribers, a description of the NYSE Retail Trading Product and the NYSE Program Trading Product. The NYSE will require vendors to update their Exhibit A to their contract with NYSE for receipt and redistribution of NYSE Trading Information Products to describe how they will make this description available.

#### **III. Discussion**

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities

<sup>16</sup> 17 CFR 200.30-3(a)(12).

exchange.<sup>7</sup> Specifically, the Commission finds that the proposal is consistent with section 6(b)(4) of the Act,<sup>8</sup> which requires that the rules of an exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. In this regard, the Commission notes that the NYSE has represented that, in arriving at the fees for the NYSE Trading Information Products, the NYSE considered the cost of collecting, processing, and making the products available, and assessed the value of the products relative to other data products that the NYSE makes available, including NYSE OpenBook.<sup>9</sup> Further, the Commission notes that its fees will be uniformly charged to all persons who wish to receive the data.

In addition, the Commission finds that the proposal is consistent with section 6(b)(5) of the Act,<sup>10</sup> which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. Specifically, the Commission finds that NYSE's proposal to require vendors to provide subscribers with a description of the NYSE Trading Information Products is designed to explain and describe the NYSE Trading Information Products so that users will be better able to understand and use the data.

#### IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (SR-NYSE-2006-32) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Nancy M. Morris,**

*Secretary.*

[FR Doc. E6-10414 Filed 7-3-06; 8:45 am]

**BILLING CODE 8010-01-P**

<sup>7</sup> In approving this proposed rule change the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b)(4).

<sup>9</sup> The Commission recently approved the fees for the real-time OpenBook service. *See* Securities Exchange Act Release No. 53585 (March 31, 2006), 71 FR 17934 (April 7, 2006) (order approving File Nos. SR-NYSE-2004-43 and SR-NYSE-2005-32).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> 15 U.S.C. 78s(b)(2).

<sup>12</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54050; File No. SR-Phlx-2006-37]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Extension of a Pilot Program Concerning Split Price Priority in Open Outcry

June 27, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 8, 2006, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)<sup>4</sup> thereunder, which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Phlx proposes to extend, for a one-year period, a pilot program (the "pilot") set forth in Phlx Rule 1014(g)(i)(C) relating to priority on split-price transactions in open outcry.

Under the pilot, a member with an order for at least 100 contracts<sup>5</sup> who buys (sells) at least 50 contracts at a particular price has priority over all others in purchasing (selling) up to an equivalent number of contracts of the same order at the next lower (higher) price without being required to yield priority, including to existing customer interest in the limit order book. The pilot also establishes priority for in-crowd participants in split price transactions represented in open outcry over the quotations of participants that are not located in the crowd (*i.e.*, out-of-crowd Streaming Quote Traders ("SQTs"))<sup>6</sup> and Remote Streaming Quote

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> Orders for a size of less than 100 contracts are not affected by the current pilot and would not be affected by this proposed rule change.

<sup>6</sup> An SQT is an Exchange Registered Options Trader ("ROT") who has received permission from

Traders ("RSQTs")<sup>7</sup> even where the market has a bid/ask differential of one minimum trading increment.<sup>8</sup> The current pilot is scheduled to expire June 30, 2006. The extended pilot would expire June 30, 2007. The text of the proposed rule change is available on the Phlx Web site (<http://www.phlx.com>), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.<sup>9</sup>

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

In its filing with the Commission, the Phlx 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. The Phlx has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

The purpose of the proposed rule change is to extend the pilot concerning priority in split-price transactions, which by virtue of their size and the need to execute them at multiple prices, may be difficult to execute without a limited exception to current Exchange priority rules, as described below. The pilot is scheduled to expire June 30, 2006.

The pilot was originally adopted in June 2005,<sup>10</sup> and subsequently extended

the Exchange to generate and submit option quotations electronically through AUTOM in eligible options to which such SQT is assigned. (AUTOM is Phlx's Automated Options Market.) An SQT may submit such quotations only while such SQT is physically present on the floor of the Exchange. *See* Phlx Rule 1014(b)(ii)(A).

<sup>7</sup> An RSQT is an ROT that is a member or member organization with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically through AUTOM in eligible options to which such RSQT has been assigned. An RSQT may submit such quotations electronically only from off the floor of the Exchange. *See* Phlx Rule 1014(b)(ii)(B).

<sup>8</sup> Generally, all options on stocks, indexes, and Exchange Traded Funds quoting in decimals at \$3.00 or higher have a minimum increment of \$.10, and those quoting in decimals under \$3.00 have a minimum increment of \$.05. *See* Phlx Rule 1034(a).

<sup>9</sup> The proposed rule change amends the current text of Phlx Rule 1014(g)(i)(C) by changing the expiration date from June 30, 2006 to June 30, 2007.

<sup>10</sup> *See* Securities Exchange Act Release No. 51820 (June 10, 2005), 70 FR 35759 (June 21, 2005) (SR-Phlx-2005-28).