

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55285; File No. SR-Phlx-2007-10]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Extension of the Position Limits Pilot Program

February 13, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 12, 2007, 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 substantially prepared by Phlx. The Exchange has filed the proposal as a “non-controversial” rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it 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

Phlx proposes to extend an existing pilot program applicable to Exchange Rule 1001, Position Limits, which increases the standard position and exercise limits for equity option contracts, including options on the Nasdaq-100 Index Tracking Stock⁵ (“QQQ”) (“Pilot Program”). The Exchange proposes to extend the Pilot Program through September 1, 2007. The text of the proposed rule change is available at Phlx, the Commission’s

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The Nasdaq-100®, Nasdaq-100 Index®, Nasdaq®, The Nasdaq Stock Market®, Nasdaq-100 SharesSM, Nasdaq-100 TrustSM, Nasdaq-100 Index Tracking StockSM, and QQQSM are trademarks or service marks of The NASDAQ Stock Market LLC (“Nasdaq”) and have been licensed for use for certain purposes by Phlx pursuant to a License Agreement (“License”) with Nasdaq. The Nasdaq-100 Index® (“Index”) is determined, composed, and calculated by Nasdaq without regard to the Licensee, the Nasdaq-100 TrustSM, or the beneficial owners of Nasdaq-100 SharesSM. Nasdaq has complete control and sole discretion in determining, comprising, or calculating the Index or in modifying in any way its method for determining, comprising, or calculating the Index in the future.

Public Reference Room, and <http://www.phlx.com>.

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

In its filing with the Commission, 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 Exchange 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 existing Pilot Program, which is scheduled to expire March 1, 2007,⁶ for an additional six-month period, through September 1, 2007.

Position limits impose a ceiling on the number of option contracts in each class on the same side of the market relating to the same underlying security that can be held or written by an investor or group of investors acting in concert. Exchange Rule 1002 (not proposed to be amended herein) establishes corresponding exercise limits. Exercise limits prohibit an investor or group of investors acting in concert from exercising more than a specified number of puts or calls in a particular class within five consecutive business days.

Rule 1001 subjects equity options to one of five different position limits depending on the trading volume and outstanding shares of the underlying security. Rule 1002 establishes exercise limits for the corresponding options at the same levels as the corresponding security’s position limits.⁷

⁶ See Securities Exchange Act Release Nos. 51322 (March 4, 2005), 70 FR 12260 (March 11, 2005) (SR-Phlx-2005-17); 52261 (August 15, 2005), 70 FR 49004 (August 22, 2005) (SR-Phlx-2005-51); 53388 (February 28, 2006), 71 FR 11458 (March 7, 2006) (SR-Phlx-2006-13); and 54387 (August 30, 2006), 71 FR 52842 (September 7, 2006) (SR-Phlx-2006-48).

⁷ Rule 1002 states, in relevant part, “ * * * no member or member organization shall exercise, for any account in which such member or member organization has an interest or for the account of any partner, officer, director or employee thereof or for the account of any customer, a long position in any option contract of a class of options dealt in on the Exchange (or, respecting an option not dealt in on the Exchange, another exchange if the member or member organization is not a member of that exchange) if as a result thereof such member or

Standard Position and Exercise Limit

The Pilot Program increases the standard position and exercise limits for equity options traded on the Exchange and for options overlying QQQQ to the following levels:

Standard equity option contract limit ⁸	Pilot program equity option contract limit
13,500	25,000
22,500	50,000
31,500	75,000
60,000	200,000
75,000	250,000
300,000	900,000

To date, the Exchange believes that there have been no adverse effects on the market as a result of these increases in the limits for equity option contracts and options overlying QQQQ.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁹ in general, and furthers the objective of Section 6(b)(5) of the Act¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and the national market system, and, in general to protect investors and the public interest, by extending the Pilot Program for an additional six months.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change does not: (1) Significantly affect the

member organization, or partner, officer, director or employee thereof or customer, acting alone or in concert with others, directly or indirectly, has or will have exercised within any five (5) consecutive business days aggregate long positions in that class (put or call) as set forth as the position limit in Rule 1001, in the case of options on a stock or on an Exchange-Traded Fund Share* * *.”

⁸ Except when the Pilot Program is in effect.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days from the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.¹³ However, Rule 19b-4(f)(6)(iii)¹⁴ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and in the public interest because it will allow the Pilot Program to continue uninterrupted.¹⁵

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change 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 Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is 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. Please include File No. SR-Phlx-2007-10 on the subject line.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires that a self-regulatory organization submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. Phlx has satisfied the five-day pre-filing requirement.

¹⁴ *Id.*

¹⁵ For purposes only of waiving the operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Paper Comments

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

All submissions should refer to File No. SR-Phlx-2007-10. 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 will also be available for inspection and copying at the principal office of Phlx. 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 No. SR-Phlx-2007-10 and should be submitted on or before March 15, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-2987 Filed 2-21-07; 8:45 am]

BILLING CODE 8010-01-P

DEPARTMENT OF STATE

[Delegation of Authority No. 296]

Delegation by the Under Secretary of State for Political Affairs to the Assistant Secretary of State for Educational and Cultural Affairs of the Functions Relating to Emergency Import Restrictions on Iraqi Cultural Antiquities

By virtue of the authority vested in the Secretary of State by the laws of the United States, including Section 1 of the State Department Basic Authorities Act

¹⁶ 17 CFR 200.30-3(a)(12).

and the Presidential Memorandum for the Secretary of State and the Secretary of Homeland Security—Assignment of Functions Relating to Import Restrictions on Iraqi Antiquities, dated May 5, 2006 (71 FR 28,753), and delegated to the Under Secretary of State for Political Affairs pursuant to Delegation of Authority No. 294 (July 6, 2006), I hereby delegate to the Assistant Secretary of State for Educational and Cultural Affairs the functions of the President under section 3002 of the Emergency Protection for Iraqi Cultural Antiquities Act of 2004 (title III of Public Law 108-429).

In performing such functions, the Assistant Secretary of State shall consult the Secretary of Homeland Security and the heads of other departments and agencies or their designees, as appropriate.

Notwithstanding this delegation of authority, the Secretary of State, the Deputy Secretary of State, the Under Secretary of State for Political Affairs and the Under Secretary of State for Public Diplomacy and Public Affairs may at any time exercise any function or authority delegated by this delegation of authority.

Any act, executive order, regulation or procedure subject to, or affected by, this delegation shall be deemed to be such act, executive order, regulation or procedure as amended from time to time.

This delegation of authority shall be published in the **Federal Register**.

Dated: December 22, 2007.

R. Nicholas Burns,

*Under Secretary of State for Political Affairs,
Department of State.*

[FR Doc. E7-3011 Filed 2-21-07; 8:45 am]

BILLING CODE 4710-24-P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Environmental Impact Statement: State Route 91 Improvements. The Project Begins on State Route 91/State Route 67/U.S. 321 West of State Route 362 and Extends to Just West of State Route-37 (U.S. 19E), Elizabethton, Carter County, TN

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of Intent.

SUMMARY: The Federal Highway Administration (FHWA) is issuing this notice to advise the public that an Environmental Impact Statement (EIS) will be prepared for a proposed highway project in Carter County, Tennessee.