basis of whether they opt to direct orders to the Exchange and thereby make use of its order execution services. In particular, the Exchange notes that the proposed fees are consistent with Rule 610(c) under Regulation NMS, which found that fees not in excess of $0.0030 per share executed would promote the objective of equal regulation and preventing excessive fees. As the Commission determined in that matter, competition is best able to determine whether a strategy of charging fees set at lower levels, or of charging a higher fee and paying a higher rebate, will be successful.7

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for order execution and routing is extremely competitive, members may readily favor the Exchange’s competitors in making order routing decisions to the extent that they deem PSX’s fees to be excessive.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.8 At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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 purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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 Number SR–Phlx–2011–11 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–Phlx–2011–11. 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 Web site viewing and printing in the Commission’s Public Reference Room on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. 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–Phlx–2011–11, and should be submitted on or before March 3, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.9

Cathy H. Ahn,
Deputy Secretary.

[FR Doc. 2011–2951 Filed 2–9–11; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

February 3, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on February 1, 2011, the EDGX Exchange, Inc. (the “Exchange” or the “EDGX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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 Exchange proposes to amend its fees and rebates applicable to Members3 of the Exchange pursuant to EDGX Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange’s Internet Web site at http://www.directedge.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, the self-regulatory organization 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 self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

---

3 A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.
A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In SR–EDGX–2010–10, the Exchange filed for immediate effectiveness a rule filing to charge for legacy ISE 5 Financial Information Exchange (“FIX”) sessions (“Sessions”) used to connect to EDGX and thereby, amended its fee schedule accordingly. These Sessions are logical ports used to enter orders into the Exchange’s trading system and to receive order messages from the Exchange. The Sessions are currently being used to send orders to EDGX by certain legacy Members of the ISE who became Members of EDGX. The amendment to the fee schedule enables the Exchange to continue to bill Members for these Sessions until they are terminated. The Exchange notes that all Members have transitioned their order entry to other ports and no firms currently send orders over ISE FIX sessions as of February 1, 2011. Therefore, effective February 1, 2011, the Exchange will be discontinuing the ISE FIX sessions as all Members of EDGX that previously used ISE FIX sessions have transitioned to their Direct EDGX Sessions.

In SR–EDGX–2011–01, the Exchange added the ROOC routing option in Rule 11.9(b)(3)(p) for orders that the entering firm wishes to designate for participation in the opening or closing process of a primary listing market (NYSE, Nasdaq, NYSE Amex, or NYSE Arca) if received before the opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening or closing process, they are either posted to the book, executed, or routed like a ROUT routing option, as described in Rule 11.9(b)(3)(h). In this filing, the Exchange proposes to add the corresponding flags for the use of the ROOC strategy to its fee schedule and assign corresponding fees. If the entering firm wishes the order to participate in the listing market close via the ROOC strategy, it will be assigned a flag of “CL” and a fee of $0.0010 per share, except for NYSE Arca. This fee represents a blended rate of all four primary listing market fees for participation in the market close. For ease of administration, the Exchange uses this blended rate as it represents an average fee from the primary listing markets. However, a flag of “O” will be yielded and the associated fee for the “O” flag, $0.0005 per share, will be assessed, if the order is routed to the NYSE Arca closing process. This is clarified in proposed footnote 9 to the fee schedule and represents a pass through of the NYSE Arca fee. If the entering firm wishes to designate that the order participate in the opening process of NYSE Amex and it adds liquidity, it will be assigned a flag of “a” and a rebate of $0.0015 per share. This rebate represents a pass through of the NYSE Amex rebate. If the entering firm wishes to designate that the order participate in the opening process of NYSE Arca and it adds liquidity, it will be assigned a flag of “a” and a rebate of $0.0021 per share. This rebate represents a pass through of the NYSE Arca rebate.

Currently, the “K” flag is yielded when an order is routed to BATS BZX Exchange using the ROBA order type. The Exchange proposes that this flag be yielded and its associated fee of $0.0025 per share be assessed when an order is routed to Nasdaq using the ROUC order type, as defined in Rule 11.9(b)(3)(a). This fee of $0.0025 per share represents a pass through of the Nasdaq PSX rate. Currently, stocks priced below $1.00 are charged 0.20% of the dollar value of the transaction when routed to Nasdaq and removing liquidity in securities on all Tapes, as noted in proposed footnote 3 of the fee schedule and as indicated on the corresponding flag. The Exchange proposes to increase this fee to 0.30% of the dollar value of the transaction to reflect an increase in rate provided by Nasdaq, effective January 3, 2011.

Exchange fee schedule on February 1, 2011.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act, in general, and furthers the objectives of Section 6(b)(4). In particular, as it is designed to provide for the equitable allocation of reasonable fees, and other charges among its members and other persons using its facilities. The Exchange believes that the fees associated with the new flags described above represent an equitable allocation of reasonable fees, and other charges. The fee associated with the “CL” flag ($0.0010) (except for NYSE Arca) represents a blended rate of all four primary listing market fees for participation in the market close. However, a flag of “O” will be yielded and the associated fee for the “O” flag, $0.0005 per share, will be assessed, if the order is routed to the NYSE Arca closing process. This represents a pass through of the NYSE Arca fee. If the entering firm wishes to designate that the order participate in the opening process of NYSE Amex and it adds liquidity, it will be assigned a flag of “a” and a rebate of $0.0015 per share. This rebate represents a pass through of the NYSE Arca rebate. If the entering firm wishes to designate that the order participate in the opening process of NYSE Arca and it adds liquidity, it will be assigned a flag of “a” and a rebate of $0.0021 per share. This rebate also represents a pass through of the NYSE Arca rebate. The fee associated with the “K” flag ($0.0025 per share) also represents a pass through of the Nasdaq PSX rate. In addition, as discussed above, stocks priced below $1.00 are now proposed to be charged 0.30% of the dollar value of the transaction when routed to Nasdaq and removing liquidity in securities on all Tapes, as noted in proposed footnote 3 of the fee schedule. This increase in fee (from 0.20% of the dollar value of the transaction) reflects a pass through of the Nasdaq’s increased rate, effective January 3, 2011.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that...
the proposed rates are equitable in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

The proposed rule change does not 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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Act and Rule 19b–4(f)(2). All submissions should refer to File Number SR–EDGX–2011–03. 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 Web site viewing and printing in the Commission’s Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. 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–EDGX–2011–03 and should be submitted on or before March 3, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.13

Cathy H. Ahn,
Deputy Secretary.


SUPPLEMENTARY INFORMATION:

Notice is hereby given that as a result of the President’s major disaster declaration on 02/01/2011, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations. The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Aroostook; Piscataquis; Washington. And the Tribal Lands of the Passamaquoddy Tribe located entirely within Washington County.

The Interest Rates are:

| Table 1 |
|-----------------|---------------|
| **For Physical Damage:** | **For Economic Injury:** |
| Non-Profit Organizations With Credit Available Elsewhere | Non-Profit Organizations Without Credit Available Elsewhere | EIDL Loan Applications |
| 3.250 | 3.000 |
| Percent | Percent |

The number assigned to this disaster for physical damage is 12461B and for economic injury is 12462B.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

James E. Rivera, Associate Administrator for Disaster Assistance.

[FR Doc. 2011–2977 Filed 2–9–11; 8:45 am]

BILLING CODE 8025–01–P