manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

In the September 2004 Order, the Commission approved a TRACE rule to expand transaction dissemination to include secondary market transactions in all TRACE-eligible securities (except Rule 144A transactions), with information on transactions in certain securities disseminated on a delayed basis. In that order, the Commission expressed concern that the remaining dissemination delays could unnecessarily restrict the availability of useful transaction information to investors. The Commission noted that the two studies commissioned by NASD to address the relationship between transparency and liquidity found no conclusive evidence that TRACE dissemination has had an adverse effect on liquidity. Therefore, the Commission stated that it expected NASD to submit a proposed rule change to eliminate the remaining delays in disseminating TRACE information no later than November 1, 2005.[21] NASD has done so.

The Commission believes that this proposal, by eliminating all remaining delays in the dissemination of transaction information on TRACE-eligible securities (except Rule 144A transactions), should provide investors with more up-to-date, and hence more reliable, transaction information for these securities and enhance overall transparency in the corporate bond market. Enhanced transparency for these remaining TRACE-eligible securities should increase the fairness and efficiency of the debt markets, thereby promoting the protection of investors and the public interest. In regard to the BMA's comment that increased transparency has harmed liquidity in high-yield debt securities, the Commission notes that the BTRC has reviewed TRACE statistical data, econometric analyses, and other information and has found no conclusive evidence that the recently increased levels of transparency in these securities have adversely affected corporate bond market liquidity. Furthermore, the BTRC has recommended to NASD that information on all transactions in TRACE-eligible securities (except Rule 144A transactions) be disseminated immediately upon NASD's receipt of the transaction report. The Commission has not been presented with any objective evidence to support the BMA's assertion that immediate dissemination of transaction information harms liquidity for high-yield debt securities.

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register** pursuant to Section 19(b)(2) of the Act.[22] Amendment No. 1 does not make any substantive changes to the proposal but rather offers technical guidance about how transaction data in the affected TRACE-eligible securities will be disseminated in the few days immediately after the rule change becomes effective. Accordingly, the Commission believes that the accelerated approval of Amendment No. 1 is appropriate.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[23] that the proposed rule change (SR–NASD–2005–120) is approved and that Amendment No. 1 thereto is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[24]

Nancy M. Morris,

Secretary.

[FR Doc. E5–8283 Filed 1–4–06; 8:45 am]

BILLING CODE 8010–01–P

[21] *See* 69 FR at 55204.

[22] 15 U.S.C. 78s(b)(2).

[23] *Id.*

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53034; File No. SR–PCX–2005–139]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Certificate of Incorporation of PCX Holdings, Inc.

December 28, 2005.

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 December 19, 2005, the Pacific Exchange, Inc. (''PCX'' 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 PCX. On December 23, 2005, PCX filed Amendment No. 1 to the proposed rule change.[3] PCX filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,[4] and Rule 19b–4(f)(6) thereunder,[5] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

PCX proposes to submit to the Commission a proposed rule change to extend temporary exceptions from the voting and ownership limitations in the certificate of incorporation of PCX Holdings, Inc. (''PCXH''), a Delaware corporation and a parent company of PCX, approved by the Commission in an order issued on September 22, 2005 (the ''SEC Order'')[6], so as to allow (a) Archipelago Holdings, Inc. (''Archipelago''), a Delaware corporation and the ultimate parent company of PCXH and PCX, to continue to (i) own Wave Securities, L.L.C. (''Wave'') until January 31, 2006 and (ii) own and operate the ATS Inbound Router Function (as defined below) of Archipelago Trading Services, Inc. (''ATS'') and the Inbound Router Clearing Function (as defined below) of Archipelago Securities, L.L.C. (''Archipelago Securities'') until January 31, 2006, and (b) Gerald D. Putnam, Chairman and Chief Executive Officer of Archipelago (''Mr. Putnam''), to own in excess of 5% of Terra Nova Trading, L.L.C. (''TNT'') and continue to serve as a director of TAL Financial Services (''TAL'') until January 31, 2006, in each case, subject to the conditions set forth in this filing.

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

In its filing with the Commission, PCX 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. PCX has prepared summaries, set forth in Sections A, B,

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, the Exchange modified the duration of certain extensions that the Exchange proposed in the original filing and made certain technical amendments to the original filing.

[4] 15 U.S.C. 78s(b)(3)(A).

[5] 17 CFR 240.19b–4(f)(6).

[6] *See* Securities Exchange Act Release No. 52497 (September 22, 2005), 70 FR 56949 (September 29, 2005) (the ''SEC Order'').

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

a. PCXH Acquisition and the Amendment of the PCXH Certificate of Incorporation

Archipelago operates the Archipelago Exchange (''ArcaEx''), an open, all-electronic stock market for the trading of equity securities. On September 26, 2005, Archipelago completed its acquisition of PCXH and all of its wholly-owned subsidiaries, including PCX and PCXE (the ''PCXH Acquisition''). The PCXH Acquisition was accomplished by way of a merger of PCXH with a wholly-owned subsidiary of Archipelago, with PCXH being the surviving corporation in the merger and becoming a wholly-owned subsidiary of Archipelago.

The certificate of incorporation of PCXH (as amended to date, the ''PCXH Certificate of Incorporation'') contains various ownership and voting restrictions on PCXH's capital stock, which are designed to safeguard the independence of the self-regulatory functions of PCX and to protect the Commission's oversight responsibilities. In order to allow Archipelago to own 100% of the capital stock of PCXH, prior to the completion of the PCXH Acquisition, PCX filed with the Commission a proposed rule change which sought to, among other things, amend the PCXH Certificate of Incorporation to create an exception from the voting and ownership restrictions for Archipelago and certain of its related persons (the ''Original Rule Filing'').[7] The Original Rule Filing, as amended by Amendment No. 1 and Amendment No. 2 thereto, was approved by the Commission on September 22, 2005[8] and the amended PCXH Certificate of Incorporation became effective on September 26, 2005, upon the closing of the PCXH Acquisition.

Article Nine of the PCXH Certificate of Incorporation provides that no Person,[9] either alone or together with its Related Persons,[10] may own, directly or indirectly, shares constituting more than 40% of the outstanding shares of any class of PCXH capital stock,[11] and that no Person, either alone or together with its Related Persons who is a trading permit holder of PCX or an equities trading permit holder of PCXE, may own, directly or indirectly, shares constituting more than 20% of any class of PCXH capital stock.[12] Furthermore, the PCXH Certificate of Incorporation provides that, for so long as PCXH controls, directly or indirectly, PCX, no Person, either alone or with its Related Persons, may directly or indirectly vote or cause the voting of shares of PCXH capital stock or give any proxy or consent with respect to shares representing more than 20% of the voting power of the issued and outstanding PCXH capital stock.[13] The PCXH Certificate of Incorporation also places limitations on the right of any Person, either alone or with its Related Persons, to enter into any agreement with respect to the withholding of any vote or proxy.[14]

PCX proposed and the Commission approved an exception from the ownership and voting limitations described above to add a new paragraph at the end of Article Nine of the PCXH Certificate of Incorporation, which provides that for so long as Archipelago directly owns all of the outstanding capital stock of PCXH, these ownership and voting limitations shall not be applicable to the ownership and voting of shares of PCXH by (i) Archipelago, (ii) any Person which is a Related Person of Archipelago, either alone or together with its Related Persons, and (iii) any other Person to which Archipelago is a Related Person, either alone or together with its Related Persons.[15] These exceptions to the ownership and voting limitations, however, shall not apply to any ''Prohibited Persons,''[16] which is defined to mean any Person that is, or that has a Related Person that is (i) an OTP Holder or an OTP Firm (as defined in the rules of PCX)[17] or (ii) an ETP Holder (as defined in the rules of PCXE),[18] unless such Person is also a ''Permitted Person'' under the PCXH Certificate of Incorporation.[19] The PCXH Certificate of Incorporation further provides that any Prohibited Person not covered by the definition of a Permitted Person who is subject to and exceeds the voting and ownership limitations imposed by Article Nine as of the date of the closing of the PCXH Acquisition shall be permitted to exceed the voting and ownership limitations

[7] *See* Pacific Exchange, Inc., Proposed Rule Change Relating to the Certificate of Incorporation of PCX Holdings, Inc., PCX Rules, and Bylaws of Archipelago Holdings, Inc., File No. SR–PCX–2005–90 (August 1, 2005).

[8] *See* SEC Order.

[9] ''Person'' is defined to mean an individual, partnership (general or limited), joint stock company, corporation, limited liability company, trust or unincorporated organization, or any governmental entity or agency or political subdivision thereof. PCXH Certificate of Incorporation, Article Nine, Section 1(b)(iv).

[10] The term ''Related Person,'' as defined in the PCXH Certificate of Incorporation, means (i) with respect to any person, all ''affiliates'' and ''associates'' of such person (as such terms are defined in Rule 12b–2 under the Act); (ii) with respect to any person constituting a trading permit holder of PCX or an equities trading permit holder of PCXE, any broker dealer with which such holder is associated; and (iii) any two or more persons that have any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, voting, holding or disposing of shares of the capital stock of PCXH. PCXH Certificate of Incorporation, Article Nine, Section 1(b)(iv).

[11] PCXH Certificate of Incorporation, Article Nine, Section 1(b)(i). However, such restriction may be waived by the Board of Directors of PCXH pursuant to an amendment to the Bylaws of PCXH adopted by the Board of Directors, if, in connection with the adoption of such amendment, the Board of Directors adopts a resolution stating that it is the determination of such Board that such amendment will not impair the ability of PCX to carry out its functions and responsibilities as an ''exchange'' under the Act and is otherwise in the best interests of PCXH and its stockholders and PCX, and will not impair the ability of the Commission to enforce said Act, and such amendment shall not be effective until approved by said Commission; *provided* that the Board of Directors of PCXH shall have determined that such Person and its Related Persons are not subject to any applicable ''statutory disqualification'' (within the meaning of Section 3(a)(39) of the Act). PCXH Certificate of Incorporation, Article Nine, Sections 1(b)(i)(B) and 1(b)(i)(C).

[12] *Id.*, Article Nine, Section 1(b)(ii).

[13] *Id.*, Article Nine, Section 1(c).

[14] *Id.*

[15] PCXH Certificate of Incorporation, Article Nine, Section 4.

[16] *Id.*

[17] PCX rules define an ''OTP Holder'' to mean any natural person, in good standing, who has been issued an Options Trading Permit (''OTP'') by the Exchange for effecting approved securities transactions on the Exchange's trading facilities, or has been named as a Nominee. PCX Rule 1.1(q). The term ''Nominee'' means an individual who is authorized by an ''OTP Firm'' (a sole proprietorship, partnership, corporation, limited liability company or other organization in good standing who holds an OTP or upon whom an individual OTP Holder has conferred trading privileges on the Exchange's trading facilities) to conduct business on the Exchange's trading facilities and to represent such OTP Firm in all matters relating to the Exchange. PCX Rule 1.1(n).

[18] PCXE rules define an ''ETP Holder'' to mean any sole proprietorship, partnership, corporation, limited liability company or other organization in good standing that has been issued an Equity Trading Permit, a permit issued by the PCXE for effecting approved securities transactions on the trading facilities of PCXE. PCXE Rule 1.1(n).

[19] ''Permitted Person'' is defined to mean (A) any broker or dealer approved by the Commission after June 20, 2005 to be a facility (as defined in Section 3(a)(2) of the Act) of PCX; (B) any Person that has been approved by the Commission prior to it becoming subject to the provisions of Article Nine of the PCXH Certificate of Incorporation with respect to the voting and ownership of shares of PCXH capital stock by such Person; and (C) any Person that is a Related Person of Archipelago solely by reason of beneficially owning, either alone or together with its Related Persons, less than 20% of the outstanding shares of Archipelago capital stock. PCXH Certificate of Incorporation, Article Nine, Section 4.

imposed by Article Nine only to the extent and for the time period approved by the Commission.[20]

b. Wave

Wave is an introducing broker for Archipelago's institutional customers and provides such customers with access to ArcaEx and other market centers. Because Wave, a broker-dealer and an ETP Holder of PCXE, is a wholly-owned subsidiary and, consequently, a Related Person, of Archipelago, it falls within the definition of ''Prohibited Persons'' under the PCXH Certificate of Incorporation. Consequently, absent an exception, Archipelago's ownership of PCXH would cause Wave, as an ETP Holder, to exceed the voting and ownership limitations imposed by Article Nine of the PCXH Certificate of Incorporation. Therefore, in connection with the PCXH Acquisition, PCX requested a temporary exception from the ownership and voting limitations in the PCX Certificate of Incorporation for Archipelago's ownership of Wave until December 31, 2005, subject to the condition that during that interim period Archipelago would continue to maintain and comply with its current information barriers between Wave, on the one hand, and PCX, PCXE and other subsidiaries of Archipelago that are facilities of PCX or PCXE, on the other hand.[21]

The Commission approved PCX's rule proposal regarding Wave (the ''Original Wave Exception'').[22] In the SEC Order, the Commission stated that the affiliation of an exchange with one of its members that provides inbound access to the exchange—in direct competition with other members of the exchange—raises potential conflicts of interest between the exchange's regulatory responsibilities and its commercial interests, and the potential for unfair competitive advantage that the affiliated member could have by virtue of informational or operational advantages, or the ability to receive preferential treatment.[23] However, noting that the conditions to be imposed during the interim period were designed to mitigate potential conflicts of interest and the potential for unfair competitive advantage, the Commission concluded that it would be appropriate and consistent with the Act to allow a limited, temporary exception for Archipelago to continue its ownership of Wave.[24] In granting the approval for the Original Wave Exception, the Commission also noted that in addition to being a member of PCX, Wave is a member of the National Association of Securities Dealers, Inc. (''NASD''), a self-regulatory organization (''SRO'') not affiliated with Archipelago, and the NASD has been designated by the Commission as the ''Designated Examining Authority'' for Wave pursuant to Rule 17d–1 of the Act.[25] Furthermore, during the interim period, Wave would continue to be covered by the scope of an agreement between NASD and PCX, which was entered into pursuant to Rule 17d–2 under the Act[26] (the ''17d–2 Agreement'') and provides for a plan concerning the regulatory responsibilities of NASD with respect to certain members of PCX, including Wave.[27]

c. ATS Inbound Router Function and the Inbound Router Clearing Function

Archipelago currently owns ATS, a wholly-owned subsidiary that is a broker-dealer and an ETP Holder of PCXE. The business of ATS consists of, among other things, acting as an introducing broker for non-ETP Holder broker or dealer clients for securities traded on ArcaEx (the ''ATS Inbound Router Function''). Archipelago Securities, a wholly-owned subsidiary of Archipelago, is a registered broker-dealer, a member of the NASD and an ETP Holder. In addition to its other functions, Archipelago Securities provides clearing functions for trades executed by the ATS Inbound Router Function (the ''Inbound Router Clearing Function'').

Because ATS, a broker-dealer and an ETP Holder of PCXE, is a wholly-owned subsidiary and, consequently, a Related Person, of Archipelago, it falls within the definition of ''Prohibited Persons'' under the PCXH Certificate of Incorporation. Consequently, absent an exception, Archipelago's ownership of PCXH would cause ATS to exceed the voting and ownership limitations imposed by Article Nine of the PCXH Certificate of Incorporation. Likewise, because Archipelago Securities, a broker-dealer and an ETP Holder of PCXE, is a wholly-owned subsidiary and, consequently, a Related Person, of Archipelago, and the approvals of Archipelago Securities set forth elsewhere in the SEC Order were limited in scope and did not include its Inbound Router Clearing Function, it falls within the definition of ''Prohibited Persons'' under the PCXH Certificate of Incorporation. Consequently, absent an exception, Archipelago's ownership of PCXH would cause Archipelago Securities to exceed the voting and ownership limitations imposed by Article Nine of the PCXH Certificate of Incorporation.

Therefore, in connection with the PCXH Acquisition, PCX requested a temporary exception from the ownership and voting limitations in the PCX Certificate of Incorporation for Archipelago's ownership and operation of the ATS Inbound Router Function and the Inbound Router Clearing Function until the earlier of (i) the closing date of the merger of Archipelago and the NYSE and (ii) March 31, 2006, subject to the following conditions: (1) The revenues derived by Archipelago from the ATS Inbound Router Function will not exceed 7% of the consolidated revenues of Archipelago (determined on a quarterly basis), (2) the ATS Inbound Router Function will not accept any new clients following the closing of Archipelago's acquisition of PCXH; and (3) Archipelago will continue to maintain and comply with its current information barrier between the ATS Inbound Router Function on the one hand and PCX, PCXE and the other subsidiaries of Archipelago that are facilities of PCX or PCXE on the other hand.[28] The Commission approved PCX's rule proposal regarding the ATS Inbound Router Function and the Inbound Router Clearing Function (the ''Original Inbound Router Exception'').[29] In the SEC Order, the Commission stated that the affiliation of an exchange with one of its members

[20] *Id.*

[21] *See* Original Rule Filing, at 36–37 and Amendment No. 2 to the Original Rule Filing, at 4 (September 16, 2005) (''Amendment No. 2'').

[22] *See* SEC Order, at 56960.

[23] *Id.* at 56959.

[24] *Id.*

[25] *Id.* Pursuant to Rule 17d–1 under the Act, where a member of the Securities Investor Protection Corporation is a member of more than one SRO, the Commission shall designate to one of such organizations the responsibility of examining such member for compliance with the applicable financial responsibility rules. In making such designation, the Commission shall take into consideration the regulatory capabilities and procedures of the SROs, availability of staff, convenience of location, unnecessary regulatory duplication, and such other factors as the Commission may consider germane to the protection of investors, the cooperation and coordination among SROs, and the development of a national market system for the clearance and settlement of securities transactions. 17 CFR 240.17d–1.

[26] Rule 17d–2 provides that any two or more SROs may file with the Commission a plan for allocating among such SROs the responsibilities to receive regulatory reports from persons who are members or participants of more than one of such SROs to examine such persons for compliance, or to enforce compliance by such persons, with specified provisions of the Act, the rules and regulations thereunder, and the rules of such SROs, or to carry out other specified regulatory functions with respect to such persons. 17 CFR 240.17d–2.

[27] *See* SEC Order, at 56959.

[28] *See* Amendment No. 2, at 5–6.

[29] *See* SEC Order, at 56960.

that provides inbound access to the exchange—in direct competition with other members of the exchange—raises potential conflicts of interest between the exchange's regulatory responsibilities and its commercial interests, and the potential for unfair competitive advantage that the affiliated member could have by virtue of informational or operational advantages, or the ability to receive preferential treatment.[30] However, noting that the conditions to be imposed during the interim period were designed to mitigate potential conflicts of interest and the potential for unfair competitive advantage, the Commission concluded that it would be appropriate and consistent with the Act to allow a limited, temporary exception for Archipelago to continue its ownership of the ATS Inbound Router Function and the Inbound Router Clearing Function.[31] In granting the approval for the Original Inbound Router Exception, the Commission also noted that in addition to being a member of PCX, ATS is a member of the NASD and the NASD has been designated by the Commission as the ''Designated Examining Authority'' for ATS pursuant to Rule 17d–1 of the Act.[32] Furthermore, during the interim period, ATS would continue to be covered by the scope of the 17d–2 Agreement,[33] which provides for a plan concerning the regulatory responsibilities of NASD with respect to certain members of PCX, including ATS.[34]

d. TNT

TNT is a wholly-owned subsidiary of TAL. Mr. Putnam owns in excess of 5% of TNT and serves as a director of TAL. Because TNT, a broker-dealer and an ETP Holder of PCXE, is a Related Person of Archipelago by virtue of Mr. Putnam's ownership of in excess of 5% of TNT and service as a director of TAL, it falls within the definition of ''Prohibited Persons'' under the PCXH Certificate of Incorporation. Consequently, absent an exception, Archipelago's ownership of PCXH would cause TNT to exceed the voting and ownership limitations imposed by Article Nine of the PCXH Certificate of Incorporation. Therefore, in connection with the PCXH Acquisition, the Commission approved the Exchange's request for a temporary exception for Mr. Putnam to continue to own in excess of 5% of TNT and continue to serve as a director of TAL until December 31, 2005 (the ''Original TNT Exception'').[35] In the SEC Order, the Commission stated that it believes that such a temporary exception is appropriate and consistent with the Act because it will eliminate the affiliation between TNT and Archipelago but allow Mr. Putnam a reasonable amount of time to effectuate such actions necessary to eliminate the affiliation.[36]

e. Extension of the Temporary Exceptions

i. Wave

In accordance with the terms of the Original Wave Exception, Archipelago has been working to sell its ownership interest in Wave by December 31, 2005. Archipelago expects to enter into a definitive agreement for the sale of Wave to a third party prior to December 31, 2005. The definitive agreement will condition the sale of Wave upon the satisfaction of certain customary conditions to closing specified in the agreement, and Archipelago would intend to complete the sale as soon as possible following the satisfaction of such conditions. The Original Wave Exception expires on December 31, 2005. In light of the fact that the sale would not be consummated by December 31, 2005, the Exchange hereby proposes to extend the Original Wave Exception to January 31, 2006, subject to the same conditions as applied to the Original Wave Exception described above. Archipelago and the Exchange believe that this extension would be in keeping with the policy justifications for the Original Wave Exception outlined above, while allowing Archipelago to complete the sale of Wave.

ii. ATS Inbound Router Function and the Inbound Router Clearing Function

In accordance with the terms of the Original Inbound Router Exception, Archipelago has been working to sell its ownership interest in the ATS Inbound Router Function. Archipelago expects to enter into a definitive agreement for the sale of the ATS Inbound Router Function to a third party prior to December 31, 2005. The definitive agreement will condition the sale of the ATS Inbound Router Function upon the satisfaction of certain customary conditions to closing specified in the agreement, and Archipelago would intend to complete the sale as soon as possible following the satisfaction of such conditions. The Original Inbound Router Exception expires on the earlier of (i) the closing date of the merger of Archipelago and the NYSE and (ii) March 31, 2006. Given the uncertainty regarding the potential closing date of the merger of Archipelago and the NYSE, the Exchange hereby proposes to extend the expiration date of the Original Inbound Router Exception to January 31, 2006 subject to the same conditions as applied to the Original Inbound Router Exception described above.[37] Archipelago and the Exchange believe that this extension would be in keeping with the policy justifications for the Original Inbound Router Exception outlined above, while allowing Archipelago to complete the sale of the ATS Inbound Router Function.

iii. TNT

In accordance with the terms of the Original TNT Exception, Mr. Putnam has been working to eliminate the affiliation. Mr. Putnam expects to enter into a definitive agreement to reduce his ownership in TNT by January 31, 2006. The definitive agreement will condition the transaction upon the satisfaction of certain customary conditions to closing specified in the agreement, and Mr. Putnam would intend to complete the transaction as soon as possible following the satisfaction of such conditions; once the transaction is completed, Mr. Putnam would also cease serving as a director of TAL. The Original TNT Exception expires on December 31, 2005. In light of the fact that the transactions would not be consummated by December 31, 2005, the Exchange hereby proposes to extend the Original TNT Exception until January 31, 2006, subject to the same conditions as applied to the Original TNT Exception described above.[38] In proposing such extension, Archipelago and the Exchange note that the NASD is the ''Designated Examining Authority'' for TNT pursuant to Rule 17d–1 of the Act. Furthermore, during the interim period, TNT would continue to be covered by the scope of the 17d–2 Agreement, which provides for a plan concerning the regulatory responsibilities of NASD with respect to certain members of PCX, including TNT. Archipelago and the Exchange believe that this extension would be in

[30] *Id.* at 56959.

[31] *Id.*

[32] *Id. See supra* note 25 for a description of Rule 17d–1 under the Act.

[33] *See supra* note 26.

[34] *See* SEC Order, at 56959.

[35] *See* SEC Order, at 56960–61.

[36] *See* SEC Order, at 56960.

[37] The Exchange clarified that it proposes to extend the Original Inbound Router Exception to January 31, 2006. Telephone conversation between Janet Angstadt, Deputy General Counsel and Assistant Corporate Secretary, PCX and Heather Seidel, Senior Special Counsel, Division of Market Regulation, Commission, on December 28, 2005 (''Telephone Conversation'').

[38] The Exchange acknowledges that the Original TNT Exception was not subject to any conditions. Telephone Conversation.

keeping with the policy justifications for the Original TNT Exception outlined above, while allowing Mr. Putnam a reasonable amount of time to effectuate the actions necessary to eliminate the affiliation between TNT and Archipelago.

2. Statutory Basis

The Exchange believes that the proposed rule change in this filing, as amended, is consistent with Section 6(b) of the Act,[39] in general, and furthers the objectives of Section 6(b)(1),[40] in particular, in that it enables the Exchange to be so organized so as to have the capacity to be able to carry out the purposes of the Act and to comply, and (subject to any rule or order of the Commission pursuant to Section 17(d) or 19(g)(2) of the Act) to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believes that this filing, as amended, furthers the objectives of Section 6(b)(5),[41] in particular, because the rules summarized herein would create a governance and regulatory structure with respect to the operation of the business of PCX that is designed to help prevent fraudulent and manipulative acts and practices; to promote just and equitable principals of trade; to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; and 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.

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

The Exchange does not believe that the proposed rule change, as amended, 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

Written comments on the proposed rule change were neither solicited nor received.

[39] 15 U.S.C. 78f(b).

[40] 15 U.S.C. 78f(b)(1).

[41] 15 U.S.C. 78f(b)(5).

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

Because the foregoing proposed rule change, as amended, does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act[42] and Rule 19b–4(f)(6) thereunder.[43]

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 purposes of the Act.[44]

PCX has asked the Commission to waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Because the Original Wave Exception and the Original TNT Exception each expire on December 31, 2005, and the Original Inbound Router Exception expires on the earlier of (i) the closing date of the merger of Archipelago and the NYSE (which date is uncertain) and (ii) March 31, 2006, such waiver will allow each of Wave, ATS (with respect to the ATS Inbound Router Function), Archipelago Securities (with respect to the Inbound Router Clearing Function), and TNT to remain in compliance with the voting and ownership limitations in the PCXH Certificate of Incorporation. The Commission notes that the Exchange has represented that Archipelago expects to enter into a definitive agreement for the sale of Wave and for the sale of the ATS Inbound Router Function by December 31, 2005, and that Mr. Putnam expects to enter into a definitive agreement to reduce his ownership in TNT by January 31, 2006. Therefore, the time period for each of the extensions is short and will terminate on January 31, 2006. In addition, the Commission notes that the following protections are and will continue to be in place during the interim period: (i) Wave, ATS, and TNT are members of the NASD as well as PCX, (ii) the NASD is the Designated Examining Authority for Wave, ATS, and TNT pursuant to Rule 17d–1 of the Act, and (iii) Wave, ATS, and TNT are, and will continue to be during the extension, covered by the scope of the 17d–2 Agreement. Further, Archipelago's ownership and operation of Wave, the ATS Inbound Router Function of ATS, and the Inbound Router Clearing Function of Archipelago Securities will continue to be subject to the same conditions as the Original Wave Exception and the Original Inbound Router Exception, as described above and as approved by the Commission in the SEC Order.

For these reasons, the Commission designates the proposal to be effective and operative upon filing with the Commission.[45]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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–PCX–2005–139 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–9303. All submissions should refer to File Number SR–PCX–2005–139. 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

[42] 15 U.S.C. 78s(b)(3)(A).

[43] 17 CFR 240.19b–4(f)(6). Pursuant to Rule 19b–4(f)(6)(iii) under the Act, the Exchange is required to give 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. The Commission has determined to waive this requirement.

[44] The effective date of the original proposed rule change is December 19, 2005, and the effective date of the amendment is December 23, 2005. For purposes of calculating the 30-day operative delay and the 60-day period within which the Commission may summarily abrogate the proposed rule change, as amended, under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on December 23, 2005, the date on which the Exchange submitted Amendment No. 1. *See* 15 U.S.C. 78s(b)(3)(C).

[45] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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 the PCX. 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–PCX–2005–139 and should be submitted on or before January 26, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[46]

Nancy M. Morris,

Secretary.

[FR Doc. E5–8298 Filed 1–4–06; 8:45 am]

BILLING CODE 8010–01–P

[46] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF STATE

[Public Notice 5268]

Culturally Significant Objects Imported for Exhibition Determinations: ''The Dead Sea Scrolls''

SUMMARY: Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236 of October 19, 1999, as amended, and Delegation of Authority No. 257 of April 15, 2003 [68 FR 19875], I hereby determine that the objects to be included in the exhibition ''The Dead Sea Scrolls'', imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners or custodians. I also determine that the exhibition or display of the exhibit objects at Discovery Place, Charlotte, NC, from on or about February 17, 2006, until on or about May 29, 2006, at Pacific Science Center, Seattle, WA, from on or about September 20, 2006, until on or about January 7, 2007, and at possible additional venues yet to be determined, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: For further information, including a list of the exhibit objects, contact Richard Lahne, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: 202/453–8058. The address is U.S. Department of State, SA–44, 301 4th Street, SW. Room 700, Washington, DC 20547–0001.

Dated: December 28, 2005.

C. Miller Crouch,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Department of State.

[FR Doc. E5–8308 Filed 1–4–06; 8:45 am]

BILLING CODE 4710–05–P

DEPARTMENT OF STATE

[Public Notice 5251]

Advisory Commission on Public Diplomacy; Notice of Meeting

The U.S. Advisory Commission on Public Diplomacy will hold a meeting at the U.S. Department of State at 2201 C Street, NW., Washington, DC on January 18, 2006 in Room 1408 from 10 a.m. to 11 a.m. The Commissioners will discuss progress made in evaluating public diplomacy programs with senior officials of the department.

The Commission was reauthorized pursuant to Public Law 109–108 (H.R.2862, Science, State, Justice, Commerce, and Related agencies Appropriations Act, 2006). The U.S. Advisory Commission on Public Diplomacy is a bipartisan Presidentially appointed panel created by Congress in 1948 to provide oversight of U.S. Government activities intended to understand, inform and influence foreign publics. The Commission reports its findings and recommendations to the President, the Congress and the Secretary of State and the American people. Current Commission members include Barbara M. Barrett of Arizona, who is the Chairman; Harold Pachios of Maine; Ambassador Penne Percy Korth of Washington, DC; Ambassador Elizabeth Bagley of Washington, DC; Charles ''Tre'' Evers of Florida; Jay T. Snyder of New York; and Maria Sophia Aguirre of Washington, DC.

For more information, please contact Athena Katsoulos at (202) 203–7880.

Dated: December 16, 2005.

Athena Katsoulos,

Executive Director, ACPD, Department of State.

[FR Doc. E5–8307 Filed 1–4–06; 8:45 am]

BILLING CODE 4710–11–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

[Docket Nos. OST–2005–20924 and OST–2005–20925]

Applications of Cargo 360, Inc. for Certificate Authority

AGENCY: Department of Transportation.

ACTION: Notice of Order to Show Cause (Order 2005–12–19).

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue orders finding Cargo 360, Inc., fit, willing, and able, and awarding it certificates of public convenience and necessity to engage in interstate and foreign scheduled air transportation of property and mail.

DATES: Persons wishing to file objections should do so no later than January 12, 2006.

ADDRESSES: Objections and answers to objections should be filed in Dockets OST–2005–20924 and OST–2005–20925 and addressed to U.S. Department of Transportation, Docket Operations, (M–30, Room PL–401), 400 Seventh Street, SW., Washington, DC 20590, and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Ms. Lauralyn J. Remo, Air Carrier Fitness Division (X–56, Room 6401), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590, (202) 366–9721.

Dated: December 29, 2005.

Michael W. Reynolds,

Acting Assistant Secretary for Aviation and International Affairs.

[FR Doc. 06–66 Filed 1–4–06; 8:45 am]

BILLING CODE 4910–62–P