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–NYSE–2006–103 and should be submitted on or before January 3, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E6–21162 Filed 12–12–06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54869; File No. SR–NYSEArca–2006–70]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change To Extend the Term of Index-Linked Securities

December 4, 2006.

On October 2, 2006, the NYSE Arca, Inc. (''Exchange), through its wholly-owned subsidiary NYSE Arca Equities, Inc. (''NYSE Arca Equities''), filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend NYSE Arca Equities Rule 5.2(j)(6) to extend the maximum duration of index-linked securities (''Index-Linked Securities'') from ten years to thirty years.[3] The proposed rule change was published for comment in the **Federal Register** on October 27, 2006.[4] The Commission received no comment letters on the proposal.

NYSE Arca Equities Rule 5.2(j)(6) sets forth criteria that the issue and the issuer must meet in order to list and trade Index-Linked Securities at the Exchange.[5] Currently, one of the criteria the Exchange considers for the listing and trading of Index-Linked Securities, pursuant to NYSE Arca Equities Rule 5.2(j)(6), is that the term of the issue must be a minimum term of one year but not greater than ten years. Proposed NYSE Arca Equities Rule 5.2(j)(6)(b) would extend the duration of the term of the issue from ten years to thirty years.

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 exchange.[6] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[7] which requires, among other things, that Exchange rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. Amending NYSE Arca Equities Rule 5.2(j)(6) should provide the Exchange with more flexibility in responding to the increased demand from issuers to list and trade Index-Linked Securities that are greater than ten years in duration. The Commission notes that corporate bonds and other fixed-income products historically have been issued with terms of up to, or greater than, thirty years.[8] In addition, the Commission has approved amendments to the generic listing standards for equity-linked notes that removed the maximum term limits for those securities.[9]

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[10] that the proposed rule change (SR–NYSEArca–2006–70) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E6–21164 Filed 12–12–06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54880; File No. SR–OCC–2006–12]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Relating to an Escrow Program Fee To Be Charged to Escrow Banks

December 6, 2006.

On July 12, 2006, The Options Clearing Corporation (''OCC'') filed with the Securities and Exchange Commission the proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'').[1] Notice of the proposal was published in the **Federal Register** on October 13, 2006.[2] No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The proposed rule change will amend OCC's Schedule of Fees by adding a $200 escrow fee to be charged to OCC-approved banks.

As background, OCC's escrow deposit program allows a custodian bank that has entered into an escrow agreement with OCC (''escrow bank'') to make deposits of eligible collateral on behalf of its customers with respect to stock option contracts and index option contracts carried in short positions and to rollover and withdraw such deposits by submitting electronic instructions to OCC through OCC's escrow deposit system.[3] Escrow deposits are pledged to the customer's clearing member in order to satisfy the customer's obligation to deposit customer level margin at the clearing member and are pledged to OCC in order to satisfy the clearing member's obligation to deposit clearing level margin at OCC with respect to a specified short position in stock or index options.[4] Under OCC's form of escrow agreement, an escrow bank is obligated to hold the deposited collateral subject to the lien of OCC and the clearing member until such liens are released.

In 2005, the escrow deposit system was integrated into OCC's clearing

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[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] NYSE Arca Equities Rule 5.2(j)(6) provides for the listing and trading of Index-Linked Securities pursuant to Rule 19b–4(e) under the Act (the ''generic listing standards'').

[4] *See* Securities Exchange Act Release No. 54636 (October 20, 2006), 71 FR 63060.

[5] The Exchange may submit a proposed rule change pursuant to Section 19(b)(2) of the Act to allow the listing and trading of Index-Linked Securities that do not otherwise meet the generic listing criteria set forth in NYSE Arca Equities Rule 5.2(j)(6).

[6] In approving the proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[7] 15 U.S.C. 78f(b)(5).

[8] *See also* NYSE Arca Equities Rule 5.2(e) setting forth the standards for listing debt securities.

[9] *See* Securities Exchange Act Release No. 42110 (November 5, 1999), 64 FR 61677 (November 12, 1999) (SR–Amex–99–33); 41992 (October 7, 1999), 64 FR 56007 (October 15, 1999) (SR–NYSE–99–22); 42313 (January 4, 2000), 65 FR 2205 (January 13, 2000) (SR–CHX–99–19).

[10] 15 U.S.C. 78f(b)(5).

[11] 17 CFR 200.30–3(a)(12).

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

[2] Securities Exchange Act Release No. 54572 (Oct. 4, 2006), 71 FR 50599.

[3] Escrow banks also use the escrow deposit system to receive and review OCC and relevant clearing member responses and to access reports.

[4] Escrow deposits may include: (i) The underlying securities for any stock option contract; (ii) cash, short-term U.S. Government securities, and/or common stocks for any index call option contract; and (iii) cash and/or short-term U.S Government securities for stock or index put options.

system, which enabled escrow banks to access the escrow system through the Internet. Before the integration, escrow banks were required to lease or buy a personal computer that was configured by OCC to provide secure access to the escrow deposit system. Banks that elected the lease alternative are currently charged a $200 monthly fee of which $150 is an equipment leasing fee and $50 is an access fee.[5] Banks that (i) Elected the purchase alternative or (ii) became escrow banks after the systems integration are currently charged only the $50 access fee, which is intended to cover the costs associated with administering the escrow deposit program. Costs to administer the program include: (1) Legal costs related to addressing the contractual aspects of the program; (2) audit costs related to ensuring compliance with the external audit reporting requirements of the program; and (3) staff costs related to servicing program users (*i.e.*, escrow banks and clearing members).

In connection with reviewing different back-up solutions to internet access, OCC also examined its costs to administer the escrow program and concluded that the costs greatly exceed the $50 per month access fee. Accordingly, OCC has determined to charge all escrow banks a $200 per month escrow program fee, which will be reflected in OCC's Schedule of Fees. The escrow program fee will allow OCC to partially offset its escrow program administration costs but will not affect the overwhelming majority of escrow banks because the majority of escrow banks already pay $200 per month in aggregate escrow deposit program fees.

II. Discussion

Section 17A(b)(3)(D) of the Act[6] requires the rules of a registered clearing agency to provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. The Commission finds that OCC's proposed amendment to its Schedule of Fees is consistent with this requirement because the $200 per month program fee reflects OCC's cost to administer the escrow program with respect to escrow banks accessing the program.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act[7] and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR–OCC–2006–12) be, and hereby is, approved.[8]

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[9]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E6–21163 Filed 12–12–06; 8:45 am]

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[5] OCC has continued to charge current escrow banks with leased equipment the $200 per month total fee as they have retained such equipment as a back-up to Internet access to the escrow system. However, a different back-up solution is being implemented for all escrow banks, which is rendering the leased equipment obsolete for purposes of accessing the escrow system.

[6] 15 U.S.C. 78q–1(b)(3)(D).

[7] 15 U.S.C. 78q–1.

[8] In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54890; File No. SR–Phlx–2006–59]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change and Amendments No. 1 and 2 Thereto Relating to an Amendment to a Philadelphia Board of Trade Market Data Distribution Network Fee

December 7, 2006.

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 September 26, 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, II, and III below, which Items have been prepared by the Phlx. The Phlx filed Amendment No. 1 to the proposed rule change on November 1, 2006.[3] The Phlx filed Amendment No. 2 to the proposed rule change on December 6, 2006.[4] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 replaces and supersedes the original filing in its entirety.

[4] Amendment No. 2 clarified that the chart in this filing reflects Phlx's proposed change to thefee per snapshot request; the current fee per snapshot request is $0.00025; and the 15% Administrative Fee is a credit to vendors which provide market data to 200,000 or more Devices in any month.

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

The Phlx proposes to change a fee assessed by the Exchange's wholly owned subsidiary, the Philadelphia Board of Trade (''PBOT''), on market data vendors for certain index values that subscribers receive over PBOT's Market Data Distribution Network (''MDDN''). The text of the proposed rule change is available on Phlx's Web site at *http://www.phlx.com*, at Phlx's principal office, and at the Commission's Public Reference Room.

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 amend one of the fees charged by the PBOT for certain market data disseminated over the MDDN.[5] The Phlx has licensed the current and closing index values underlying most of the Phlx's proprietary indexes to PBOT for the purpose of selling, reproducing, and distributing the index values over PBOT's MDDN. On each trading day, the Exchange or its third party designee objectively calculates and makes available to PBOT a real-time index value every 15 seconds and a closing index value at the end of the day. By agreement with PBOT, data vendors make the market data widely available to subscribers.[6]

On May 11, 2006, the Commission approved the Exchange's proposal to

[5] The MDDN is an internet protocol multicast network developed by PBOT and SAVVIS Communications.

[6] Approximately 65 vendors, including for example Bloomberg L.P., Telekurs Financial Information Ltd. and Thomson Financial, have already entered into such market data agreements wtih PBOT. The PBOT has contracted with one or more major Market Data Vendors to receive real-time market data and will not offer snapshot or delayed data. The fees described in this proposed rule change cover values of all the indexes disseminated over the MDDN.