### Proposed Rule Change by Philadelphia Stock Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<table>
<thead>
<tr>
<th>Initial</th>
<th>Amendment</th>
<th>Withdrawal</th>
<th>Section 19(b)(2)</th>
<th>Section 19(b)(3)(A)</th>
<th>Section 19(b)(3)(B)</th>
<th>Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pilot**

- Extension of Time Period for Commission Action
- Date Expires

**Description**

Provide a brief description of the proposed rule change (limit 250 characters).

Amend a PBOT Market Data Distribution Network ("MDDN") Fee

**Contact Information**

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

- **First Name**: Carla
- **Last Name**: Behnfeldt
- **Title**: Director and Counsel
- **E-mail**: carla.behnfeldt@phlx.com
- **Telephone**: (215) 496-5208
- **Fax**: (215) 496-6729

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

- **Date**: 09/26/2006
- **By**: Cynthia Hoekstra

**(Name)**

**Director**

**(Title)**

**NOTE:** Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3).

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e., partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.
1. **Text of the Proposed Rule Change**

The Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\) and Rule 19b-4 thereunder,\(^2\) 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 subscribers receive over PBOT’s Market Data Distribution Network ("MDDN").

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

2. **Procedures of the Self-Regulatory Organization**

The Executive Committee, pursuant to delegated authority, approved the proposal for filing with the Securities and Exchange Commission ("SEC" or "Commission") on August 25, 2006.

Questions and comments on the proposed rule change may be directed to Carla Behnfeldt, Director, at (215) 496-5208, or Edith Hallahan, Senior Vice President and Deputy General Counsel, at (215) 496-5179.

---


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

a. 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.\(^3\) 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. The Exchange or its third party designee objectively calculates and makes available to PBOT every 15 seconds real time current and closing index values on each trading day. Market data vendors make the real time market data widely available to subscribers.

On May 11, 2006, the Commission approved the Exchange’s proposal to allow PBOT to charge subscriber fees to vendors of market data for all the values of Phlx's proprietary indexes disseminated by PBOT's MDDN.\(^4\) The subscriber fees are set out in agreements that PBOT executes with various market data vendors for the right to receive, store, and retransmit the current and closing index values transmitted over the MDDN. The fees approved by the Commission in its May 11, 2006 approval order included a $.00025 per request fee for snapshot data, which is essentially market data that is refreshed no more frequently than once every 60 seconds. The Exchange is now proposing to increase that fee to $.0025 per request for snapshot data. The increase in the

---

\(^3\) The MDDN is an internet protocol multicast network developed by PBOT and SAVVIS Communications.

fee reflects the amount of the fee that Exchange management had originally intended to propose to its Executive Committee and the Commission. The $.00025 fee for which the Exchange had previously requested approval was the result of a typographical error.\(^5\)

b. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^6\) in general, and furthers the objectives of Section 6(b)(5) of the Act\(^7\) in particular, in that it is 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, by providing income to the PBOT, a subsidiary of the Phlx.

4. **Self-Regulatory Organization's Statement on Burden on Competition**

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

5. **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.

6. **Extension of Time Period for Commission Action**

The Exchange does not consent to an extension of the time period for

\(^5\) The Exchange notes that the Federal Register notice of the proposed rule change proposing the fee did include one reference to the originally intended amount, $.0025. See Securities Exchange Act Release No. 53584 (March 31, 2006), 71 FR 17938 (April 7, 2006) (SR-Phlx-2006-04). However, the amount approved by the Exchange’s Executive Committee and the Commission was $.00025.


\(^7\) 15 U.S.C. 78f(b)(5).
7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

The Exchange requests that the Commission finds good cause, pursuant to Section 19(b)(2) of the Act, for approving the proposed rule change prior to the thirtieth day after publication of notice thereof in the Federal Register. The Exchange believes that granting accelerated approval of the proposed rule change will preserve the Exchange's original intent to set the snapshot data fee at $.0025 rather than $.00025 per request.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. **Exhibits**

   1. Notice of proposed rule for publication in the Federal Register.
Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-Phlx-2006-59)

Self-Regulatory Organizations; Notice of Filing and Accelerated Approval of a Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Amend a Philadelphia Board of Trade Market Data Distribution Network Fee

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\), and Rule 19b-4\(^2\) thereunder, notice is hereby given that on _________________ 2006, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Phlx. 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, pursuant to Section 19(b)(1) of the Act\(^3\) and Rule 19b-4 thereunder,\(^4\) 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 subscribers receive over PBOT’s Market Data Distribution Network ("MDDN").

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. 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. The Exchange or its third party designee objectively calculates and makes available to PBOT every 15 seconds real time current and closing index values on each trading day. Market data vendors make the real time market data widely available to subscribers.

On May 11, 2006, the Commission approved the Exchange’s proposal to allow PBOT to charge subscriber fees to vendors of market data for all the values of Phlx's proprietary indexes disseminated by PBOT's MDDN. The subscriber fees are set out in agreements that PBOT executes with various market data vendors for the right to receive, store, and retransmit the current and closing index values transmitted over the MDDN.

---

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

The fees approved by the Commission in its May 11, 2006 approval order included a $0.00025 per request fee for snapshot data, which is essentially market data that is refreshed no more frequently than once every 60 seconds. The Exchange is now proposing to increase that fee to $0.0025 per request for snapshot data. The increase in the fee reflects the amount of the fee that Exchange management had originally intended to propose to its Executive Committee and the Commission. The $0.0025 fee for which the Exchange had previously requested approval was the result of a typographical error.\(^7\)

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^8\) in general, and furthers the objectives of Section 6(b)(5) of the Act\(^9\) in particular, in that it is 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, by providing income to the PBOT, a subsidiary of the Phlx.

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 not necessary or appropriate in furtherance of the purposes of the Act.

---

\(^7\) The Exchange notes that the Federal Register notice of the proposed rule change proposing the fee did include one reference to the originally intended amount, $0.0025. See Securities Exchange Act Release No. 53584 (March 31, 2006), 71 FR 17938 (April 7, 2006) (SR-Phlx-2006-04). However, the amount approved by the Exchange’s Executive Committee and the Commission was $0.0025.


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 Exchange requests that the Commission finds good cause, pursuant to Section 19(b)(2) of the Act, for approving the proposed rule change prior to the thirtieth day after publication of notice thereof in the Federal Register. The Exchange believes that granting accelerated approval of the proposed rule change will preserve the Exchange's original intent to set the snapshot data fee at $.0025 rather than $.00025 per request.

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](http://www.sec.gov/rules/sro.shtml); or
  
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2006-59 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-Phlx-2006-59](http://www.sec.gov/rules/sro.shtml). 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 the filing also will be available for inspection and copying at the principal office of the 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 Number SR-Phlx-2006-59 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.10

Nancy M. Morris
Secretary