Proposed Rule Change by Philadelphia Stock Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial Amendment Withdrawal Section 19(b)(2) Section 19(b)(3)(A) Section 19(b)(3)(B)

Pilot Extension of Time Period for Commission Action Date Expires

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

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
E-mail carla.behnfeldt@phlx.com
Telephone (215) 496-5208 Fax

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 11/01/2006
By Carla Behnfeldt

(Note)

(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.
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").\(^3\)

   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.

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\(^3\) This Amendment No. 1 clarifies the original proposal and supersedes the original filing in its entirety.
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.\(^4\) 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.\(^5\)

   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.\(^6\) The subscriber fees are set out in

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\(^4\) The MDDN is an internet protocol multicast network developed by PBOT and SAVVIS Communications.

\(^5\) Approximately 65 vendors, including for example Bloomberg L.P., Telekurs Financial Information Ltd. and Thomson Financial, have already entered into such market data agreements with PBOT. The PBOT has contracted with one or more major Market Data Vendors to receive real time and closing index values over the MDDN and promptly redistribute such values. At least three of the vendors have elected to offer only the continuous 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.

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 MDDN fees, including the fee amended by this proposal, are summarized in table format below:

<table>
<thead>
<tr>
<th>Fee (per month)</th>
<th>Real-Time Continuous Market Data</th>
<th>Delayed Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Device/User ID/Terminal ID</td>
<td>$1.00 per Device*</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fee (per month)</th>
<th>Snapshot Market Data</th>
<th>Delayed Only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.0025 per snapshot request *</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>OR</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,500 per month for unlimited snapshot requests*</td>
<td></td>
</tr>
</tbody>
</table>

* Vendors which provide market data to 200,000 or more Devices in any month qualify for a 15% Administrative Fee for that month. 7

7 All market data vendors which provide market data to 200,000 or more Devices in any month qualify for a 15% Administrative Fee credit for that month, to be deducted from the monthly Subscriber Fees that they collect and are obligated to pay PBOT under the Vendor/Subvendor Agreement.
b. **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 a fee structure for market data recipients which is reasonable.

The Exchange also believes that its proposal furthers the objectives of Section 6(b)(4)\(^10\) of the Act in particular, in that it is an equitable allocation of reasonable fees among persons using its facilities. The Exchange believes that PBOT’s proposed fee increase is reasonable and equitable, as it reflects a more accurate valuation of the value of snapshot data to investors than the original snapshot data fee did. Phlx also believes that the fee increase to be charged by PBOT is consistent with the requirements of Commission Rule 603 (Distribution, consolidation, and display of information with respect to quotations for and transactions in NMS stocks) in that it is fair and reasonable and not unreasonably discriminatory.\(^11\)

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

The Phlx does not believe that the proposed rule change will impose any

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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 Commission action.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Not applicable.

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.
SECURITIES AND EXCHANGE COMMISSION
(Release No.                  ; File No. SR-Phlx-2006-59, Amendment No. 1)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the
Philadelphia Stock Exchange, Inc. Relating to an Amendment of 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-4² 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 Act³ 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").⁵

⁴ 17 CFR 240.19b-4
⁵ This Amendment No. 1 clarifies the original proposal and supersedes the original filing in its entirety.
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. 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.

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

7 Approximately 65 vendors, including for example Bloomberg L.P., Telekurs Financial Information Ltd. and Thomson Financial, have already entered into such market data agreements with PBOT. The PBOT has contracted with one or more major Market Data Vendors to receive real time and closing index values over the MDDN and promptly redistribute such values. At least three of the vendors have elected to offer only the continuous real-time market data and will not offer snapshot or delayed data. The fees
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. 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 MDDN fees, including the fee amended by this proposal, are summarized in table format below:

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2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act 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 a fee structure for market data recipients which is reasonable.

The Exchange also believes that its proposal furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is an equitable allocation of reasonable fees among persons using its facilities. The Exchange believes that PBOT’s proposed fee increase is reasonable and equitable, as it reflects a more accurate valuation of the value

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9 All market data vendors which provide market data to 200,000 or more Devices in any month qualify for a 15% Administrative Fee credit for that month, to be deducted from the monthly Subscriber Fees that they collect and are obligated to pay PBOT under the Vendor/Subvendor Agreement.


of snapshot data to investors than the original snapshot data fee did. Phlx also believes that the fee increase to be charged by PBOT is consistent with the requirements of Commission Rule 603 (Distribution, consolidation, and display of information with respect to quotations for and transactions in NMS stocks) in that it is fair and reasonable and not unreasonably discriminatory.\textsuperscript{13}

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.

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**

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which Phlx consents, the Commission shall: (a) by order approve such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

\textsuperscript{13} 17 CFR 242.603.
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-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. 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.\textsuperscript{14}

Nancy M. Morris
Secretary

\textsuperscript{14} 17 CFR 200.30-3(a)(12).