

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-NSCC-2007-17 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-NSCC-2007-17. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. 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-NSCC-2007-17 and should be submitted on or before March 26, 2008.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁶

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57390; File No. SR-NSX-2008-02]

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment No. 1 Thereto Relating to the Pass-Through of Certain Costs to ETP Holders

February 27, 2008.

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 February 5, 2008, the National Stock Exchange, Inc. ("NSX" or the "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 substantially by the Exchange. On February 27, 2008, NSX filed Amendment No. 1 to the proposed rule change to make certain clarifying changes to the description of its proposal. NSX has designated this proposal as one establishing or changing a member due, fee, or other charge imposed by NSX under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ 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

NSX proposes to amend the NSX BLADESM Fee and Rebate Schedule to give the Exchange the explicit authority to pass through to a specific ETP Holder costs that are assessed to the Exchange by a third party that are attributable to that particular ETP Holder for its use of the facilities of the Exchange. The text of the proposed rule change is available at www.nsx.com, the principal offices of

the Exchange, and 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 Exchange 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. NSX 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

With this rule change, the Exchange is proposing that the NSX BLADE Fee Schedule be amended to give the Exchange the explicit authority to pass through to a specific ETP Holder⁵ costs that are assessed to the Exchange by a third party vendor that are attributable to that particular ETP Holder for its use of the facilities of the Exchange. These costs include line connectivity and other technological charges and/or upgrades assessed for the ETP Holder's communications with the Exchange, in connection with the Cross Connect service defined below.

The Exchange currently offers ETP Holders the option of connecting to the Exchange through a direct connection, a service provider or through an extranet provider. ETP Holders electing a direct connection to the Exchange that do not utilize a circuit/line obtained from the third party vendor that houses the Exchange's data center must be connected to the Exchange through a line or circuit provided by that vendor (hereinafter the "Cross Connect" service). The third party vendor charges fees associated with this Cross Connect service (the "Cross Connect Fee Schedule"). It should be noted that the third party vendor does not charge a Cross Connect fee for any ETP Holder that utilizes the vendor's circuits.

The Cross Connect Fee Schedule includes a one-time installation charge per circuit or line, and monthly fees which vary depending on the different

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ An ETP Holder is a registered broker or dealer that has been issued an Equity Trading Permit ("ETP") by NSX. An ETP Holder will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act (15 U.S.C. 78c(a)(3)).

circuit levels selected. These circuit options include a T-1, T-3 and Ethernet circuit lines. The vendor also offers this service to connect to the Exchange's primary and back-up data centers. Thus, to establish connectivity, the ETP Holder must select the preferred circuit/line size, number of lines desired and location preferences. In all cases, the ETP Holder selects the service that it desires, and thus, is apprised of and in fact exercises control over the fees associated with this connectivity to the Exchange.

The current Cross Connect Fee Schedule provides for a one-time installation charge for a router of \$150 and a one-time installation charge ranging between \$100 and \$275 per circuit depending on the circuit selected. In addition, the current Cross Connect Fee Schedule provides for monthly fees ranging between \$50 and \$375 per circuit per location. While these costs are determined between the ETP Holder and vendor, the Exchange represents that it will maintain a current schedule of fees from the third-party vendor, and will provide this Cross Connect Fee Schedule to ETP Holders upon request and/or otherwise make it available on the Exchange's Web site.

It should be noted that these costs could be directly billed to the ETP Holder by the third party vendor, but for administrative ease, the Exchange has agreed to act as an intermediary. Because the Exchange has an existing contractual relationship with the third party vendor, the latter prefers to charge the Exchange rather than the ETP Holder directly. These charges are limited to those that are incurred by the Exchange from a third party on behalf of a particular ETP Holder for that ETP Holder's benefit and use of the facilities of the Exchange. In addition, as stated, the ETP Holder would be notified of any charges which would be subject to this pass through provision prior to the charge being incurred.

This provision is intended to capture those costs relating to services that directly benefit and are requested by ETP Holders for certain services and do not include the general operating expenses of the Exchange. Moreover, the Exchange proposes to pass through such costs without any markup or premium imposed by the Exchange.

The Exchange has determined that this change is necessary for competitive reasons. The cumulative amount of such costs, without the ability to pass them through to the ETP Holders who benefit from and in fact request the services giving rise to such costs, puts the Exchange at a competitive disadvantage. The Exchange believes that the

proposed rule change is consistent with the protection of investors and the public interest.

The Exchange intends to pass through costs to ETP Holders in accordance with the proposed rule change immediately upon filing of this proposed rule change with the Commission for the time period covered by the February invoice.

Pursuant to Exchange Rule 16.1(c), the Exchange will "provide ETP Holders with notice of all relevant dues, fees, assessments and charges of the Exchange". The Exchange will issue a Regulatory Circular of the changes to the NSX BLADE Fee Schedule and will provide a copy of the rule filing on the Exchange's Web site (<http://www.nsx.com>).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,⁶ in general, and with Section 6(b)(4) of the Act,⁷ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and Rule 19b-4(f)(2)⁹ thereunder, because it establishes or changes a due, fee, or other charge imposed on members by the Exchange. Accordingly, the proposal is effective upon filing with the Commission. 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.¹⁰

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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-NSX-2008-02 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 20549-1090.

All submissions should refer to File Number SR-NSX-2008-02. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make publicly available. All submissions should refer to File

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

¹⁰ For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on February 27, 2008, the date on which NSX filed Amendment No. 1.

Number SR-NSX-2008-02 and should be submitted on or before March 26, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8-4175 Filed 3-4-08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57389; File No. SR-NYSEArca-2008-06]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Accelerated Approval of Proposed Rule Change Relating to the Dissemination of the Index Value for Equity Index-Linked Securities

February 27, 2008.

I. Introduction

On January 11, 2008, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") 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 relating to the dissemination of the index value for Equity Index-Linked Securities.³ The proposed rule change was published for comment in the **Federal Register** on February 11, 2008 for a 15-day comment period.⁴ The Commission received no comments on the proposal. This order approves the proposed rule change on an accelerated basis.

II. Description of the Proposal

NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(2)(c)(ii) currently provides that the Exchange will commence delisting or removal proceedings of an issue of Equity Index-Linked Securities (unless the Commission has approved continued trading of such Securities) if, among other circumstances, the value of the index or composite value of the indexes underlying such issue is no longer calculated or widely disseminated on at least a 15-second basis. The Exchange proposes to amend

NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(2)(c)(ii) to distinguish between indexes consisting solely of U.S. equity securities and those consisting of foreign securities or a combination of U.S. and foreign equity securities. The proposed amendment provides that the Exchange will commence delisting or removal proceedings if the underlying index value or composite index value is no longer calculated or widely disseminated: (1) On at least a 15-second basis with respect to an index or indexes containing only securities listed on a national securities exchange;⁵ or (2) on at least a 60-second basis with respect to an index or indexes containing foreign country securities. If the official index value does not change during some or all of the period when trading is occurring on the NYSE Arca Marketplace⁶ (for example, for indexes of foreign country securities, there may be time zone differences or holidays in the countries where such indexes' component stocks trade), then the last calculated official index value must remain available throughout NYSE Arca Marketplace trading hours. The Exchange seeks to conform the index dissemination requirements for Equity Index-Linked Securities to those for Investment Company Units, which include exchange-traded funds or "ETFs," under NYSE Arca Equities Rule 5.2(j)(3).

III. Discussion and Commission's Findings

After careful consideration, 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.⁷ In particular, the Commission finds that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act,⁸ which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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.

The Commission notes that opportunities to invest in derivative securities products based not only on U.S. equity securities, but also on an international or global index of equity securities, provide additional choices to accommodate particular investment needs and objectives, to the benefit of investors. With respect to the dissemination of the value of an index that is comprised, at least in part, of non-U.S. equity component securities, the proposed 60-second standard reflects limitations, in some instances, on the frequency of intra-day trading information with respect to such foreign securities and that, in many cases, trading hours for overseas markets overlap only in part, or not at all, with NYSE Arca Marketplace trading hours.⁹ In addition, if an index or portfolio value does not change for some of the time that the derivative securities product trades on the Exchange, the last official calculated value must remain available throughout Exchange trading hours. The Commission believes that such 60-second standard relating to the dissemination of the value of an index composed, at least in part, of foreign equity securities should apply to Equity Index-Linked Securities as well as ETFs and finds that NYSE Arca's proposal is consistent with the Exchange Act on the same basis that it approved the other exchanges' generic listing standards for ETFs based on international or global indexes.¹⁰

The Commission finds good cause for approving the proposed rule change before the 30th day after the date of publication of notice of filing thereof in the **Federal Register**. The Commission notes that the proposal is substantially similar to previously approved listing standards for Investment Company Units under NYSE Arca Equities Rule 5.2(j)(3)¹¹ and for ETFs listed and traded pursuant to similar rules of other national securities exchanges.¹² The Commission believes that accelerated approval of the proposed rule change,

⁹ See Securities Exchange Act Release No. 55621 (April 12, 2007), 72 FR 19571 (April 18, 2007) (SR-NYSEArca-2006-86) (approving generic listing standards for ETFs based on international or global indexes).

¹⁰ See, e.g., Securities Exchange Act Release Nos. 55269 (February 9, 2007), 72 FR 7490 (February 15, 2007) (SR-NASDAQ-2006-050); 55113 (January 17, 2007), 72 FR 3179 (January 24, 2007) (SR-NYSE-2006-101); and 54739 (November 9, 2006), 71 FR 66993 (November 17, 2006) (SR-Amex-2006-78).

¹¹ See *supra* note 9. See also Commentary .01(b)(2) to NYSE Arca Equities Rule 5.2(j)(3).

¹² See *supra* note 10.

¹¹ 17 CFR 200.30-3(a)(12).

¹⁵ U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities. See NYSE Arca Equities Rule 5.2(j)(6).

⁴ See Securities Exchange Act Release No. 57273 (February 5, 2008), 73 FR 7774.

⁵ American Depositary Shares and common shares of foreign issuers listed on U.S. national securities exchanges included in an index or indexes would be subject to the 15-second dissemination requirement.

⁶ See NYSE Arca Equities Rule 1.1(e) (defining NYSE Arca Marketplace).

⁷ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).