

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-54870; File No. SR-OPRA-2006-02)

December 5, 2006

Options Price Reporting Authority; Notice of Filing of Proposed Amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information to Provide that Classes of Foreign Currency Options Newly Introduced for Trading by Any of the Parties to the Plan Be Treated under the Provision “Special Temporary Provision for Newly Traded FCO Securities” During a Temporary Period Ending on December 31, 2007

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on November 17, 2006, the Options Price Reporting Authority (“OPRA”) submitted to the Securities and Exchange Commission (“Commission”) an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (“OPRA Plan”).<sup>3</sup> The proposed OPRA Plan amendment would provide that classes of Foreign Currency Options (“FCO Securities” or “FCOs”), newly introduced for trading in the securities markets maintained by any of the parties to the OPRA Plan, will be treated by OPRA under the provision “Special Temporary Provision for Newly Traded FCO Securities” during a temporary period ending on December 31, 2007. The Commission is publishing this notice to solicit comments from interested persons on the proposed OPRA Plan amendment.

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<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The OPRA Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Act and Rule 608 thereunder (formerly Rule 11Aa3-2). See Securities Exchange Act Release No. 17638 (March 18, 1981), 22 S.E.C. Docket 484 (March 31, 1981). The full text of the OPRA Plan is available at <http://www.opradata.com>.

The OPRA Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges. The six participants to the OPRA Plan are the American Stock Exchange LLC, the Boston Stock Exchange, Inc., the Chicago Board Options Exchange, Inc., the International Securities Exchange, Inc. (“ISE”), the NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc. (“Phlx”).

I. Description and Purpose of the Amendment

Under the terms of the OPRA Plan, subject to the exception described in Section VIII (c)(iii), FCOs traded on any of the exchanges that are parties to the Plan are ordinarily assigned to a separate “FCO service” rather than OPRA’s “basic service” to which equity and index options are assigned. As a result, subject to the exception described below, separate fees and charges are imposed for access to the FCO service, and all revenues and expenses pertaining to the FCO service are allocated to a separate “FCO Accounting Center” established under Section VIII(c) of the OPRA Plan.

To date, FCOs have been traded only on the Phlx. In late 2005, at the request of the Phlx and with the Commission’s approval, OPRA amended Section VIII(c) of the ORPA Plan by adding a new subparagraph (iii) thereto, which provides that during a temporary period ending on December 31, 2007, new classes of FCO Securities introduced for trading on Phlx (such classes are defined as “New FCO Securities”) will be included in OPRA’s basic service and not in its FCO service.<sup>4</sup> The effect of the amendment is to treat New FCO Securities as if they were equity options and not FCO Securities, with the result that during the period when subparagraph (c)(iii) of Section VIII is in effect, access to market information pertaining to New FCO Securities is not subject to the separate fees and charges that apply to OPRA’s FCO service, and revenues and expenses pertaining to market information pertaining to New FCO Securities are not allocated to OPRA’s FCO accounting center, but instead are allocated to its basic accounting center.

The ISE recently advised OPRA that it intends to commence trading in certain classes of FCOs, and it represented that none of the FCOs it intends to trade will be fungible with classes of

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<sup>4</sup> See Securities Exchange Act Release No. 52901 (December 6, 2005), 70 FR 74061 (December 14, 2005).

FCOs traded on the Phlx. Since by its terms Section VIII(c)(iii) of the OPRA Plan currently applies only to new classes of FCOs that are listed on the Phlx, in response to the ISE's request, OPRA now proposes to amend that Section to make it apply to all classes of FCOs newly listed by any exchange that is a party to the OPRA Plan while that Section remains in effect. This will assure that all classes of newly listed FCOs will be treated the same by being included in OPRA's basic service, rather than in its FCO service regardless of the exchange on which those classes are traded.

The text of the proposed amendment to the OPRA Plan is set forth below. Text additions are underlined; deletions are bracketed.

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#### VIII. Financial Matters

(a) – (b) No Change.

(c) FCO Accounting Center Costs and Revenues

(i) - (ii) No Change.

(iii) Special Temporary Provision for Newly Traded FCO Securities.

This paragraph (c)(iii) applies only to FCO Securities that are introduced for trading in the securities markets maintained by any of the parties to the Plan [on the Philadelphia Stock Exchange (“PHLX”)] during the period while this paragraph is in effect. FCO Securities introduced for trading by any of the parties [PHLX] during this period are referred to as “New FCO Securities.”

Notwithstanding anything in the Plan to the contrary, effective during a temporary period ending on December 31, 2007, or on such earlier date as may be established by the party or parties trading New FCO Securities, written notice of which shall be given to the

other parties (“period of effectiveness”), access to information and facilities pertaining to New FCO Securities shall not be subject to the separate fees and charges that would otherwise apply to such access pertaining to FCO Securities, but instead shall be subject to those fees and charges that apply to Eligible Securities other than FCO Options and Index Options. During the period of effectiveness, revenues derived from New FCO Securities shall be allocated to OPRA’s basic accounting center and shall be further allocated among the parties as described in section VIII(a)(iv), and trades in New FCO Securities shall be treated as trades in Eligible Securities other than FCO Options and Index Options and not as trades in FCO Securities. At the close of business on the last day of the period of effectiveness, this section VIII(c)(iii) shall automatically terminate and cease to be of any further effect.

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## II. Implementation of the OPRA Plan Amendment

The proposed amendment will be effective upon its approval by the Commission pursuant to Section 11A of the Act<sup>5</sup> and Rule 608 thereunder.<sup>6</sup>

## III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed OPRA Plan amendment 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

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<sup>5</sup> 15 U.S.C. 78k-1.

<sup>6</sup> 17 CFR 242.608.



