

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-65046; File No. SR-Phlx-2011-105)

August 5, 2011

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Active SQF Port Fee

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 August 2, 2011, NASDAQ OMX PHLX LLC ("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 Exchange. 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 Exchange proposes to amend the Exchange's Fee Schedule to extend the Active Specialized Quote Feed ("SQF") Port Fee monthly cap from its current expiration of November 30, 2011³ to December 30, 2011.

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqtrader.com/micro.aspx?id=PHLXfilings>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 63780 (January 26, 1011), 76 FR 5846 (February 2, 1011) (SR-Phlx-2011-07).

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. The Exchange 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 extend the timeframe for member organizations to cap their Active SQF Port Fees in order that they will have additional time to transition from SQF 5.0 to SQF 6.0.⁴ Active SQF ports refer to ports that receive inbound quotes at any time within that month. SQF is an interface that enables

⁴ The Exchange released SQF 6.0 on October 11, 2010. The Exchange anticipates that member organizations will utilize both SQF 5.0 and SQF 6.0 for a period of time. SQF 6.0 will increase efficiency for interested participants by allowing them to access in a single feed available to all participants, rather than through accessing multiple feeds, information such as execution reports and other relevant data. In order for participants to access all of this information currently or for any that do not use SQF 6.0 in the future, they must rely on a risk management feed and the TOPO/TOPO Plus Orders Exchange interfaces. Non quoting firms that would like to receive the relevant information available over SQF will be allowed to connect to the SQF interface, but not send quotes. Data proposed for SQF 6.0 will initially include the following: (1) Options Auction Notifications (e.g., opening imbalance, market exhaust, PIXL or other information currently provided on SQF 5.0); (2) Options Symbol Directory Messages (currently provided on SQF 5.0); (3) System Event Messages (e.g., start of messages, start of system hours, start of quoting, start of opening); (4) Complex Order Strategy Auction Notifications (COLA); (5) Complex Order Strategy messages; (6) Option Trading Action Messages (e.g., halts, resumes); and (7) Complex Strategy Trading Action Message (e.g., halts, resumes). See Securities Exchange Act Release No. 63034 (October 4, 2010), 75 FR 62441 (October 8, 2010) (SR-Phlx-2010-124).

specialists, Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs") to connect and send quotes into Phlx XL.

The Exchange currently has a tiered Active SQF Port Fee as follows:

Number of Active SQF Ports	Cost Per Port Per Month
0-4	\$350
5-18	\$1,250
19-40	\$2,350
41 and over	\$3,000

Active SQF Port Fees are capped at \$500 per month for member organizations that are (i) Phlx Only Members;⁵ and (ii) have 50 or less SQT assignments affiliated with their member organization. Currently, Active SQF Port Fees are capped at \$40,000 per month ("Cap") until November 30, 2011 for all member organizations other than those member organizations who meet the requirements of the \$500 per month cap. The purpose of the Cap is to ensure member organizations are not assessed fees in excess of the Active SQF Port Fees.

The Exchange proposes to extend the Cap until December 30, 2011 because the Exchange believes that member organizations would require additional time to properly transition to SQF 6.0 ports. On January 2, 2012, there will no longer be a Cap in effect for the Active SQF Port Fee. No other changes are proposed with respect to Active SQF Port Fees.

⁵ For purposes of the Active SQF Port Fee, a Phlx Only Member is a Phlx member that is not a member or member organization of another national securities exchange.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act⁷ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange believes that its proposal to extend the applicability of the Cap for Active SQF Port Fees is both reasonable and equitable because it would allow member organizations additional time to transition from SQF 5.0 to SQF 6.0. The proposal is equitable and not unfairly discriminatory in that the Exchange is extending the Cap for all member organizations.

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.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁸ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-2011-105 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to File Number SR-Phlx-2011-105. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the 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 available publicly. All

submissions should refer to File Number SR-Phlx-2011-105 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Elizabeth M. Murphy
Secretary

⁹ 17 CFR 200.30-3(a)(12).