

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54988; File No. S7-24-89)

December 20, 2006

Joint Industry Plan; Solicitation of Comments and Order Granting Temporary Summary Effectiveness to Request to Extend the Operation of the Reporting Plan for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis, Submitted by the American Stock Exchange LLC, the Boston Stock Exchange, Inc., the Chicago Stock Exchange, Inc., the Chicago Board Options Exchange, Incorporated, the International Securities Exchange, Inc., the National Association of Securities Dealers, Inc., the National Stock Exchange, Inc., the Nasdaq Stock Market LLC, NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc., and to Request Permanent Approval of the Plan

I. Introduction and Description

On December 12, 2006, NYSE Arca, Inc. ("NYSEArca"), on behalf of itself and the American Stock Exchange LLC ("Amex"), the Boston Stock Exchange, Inc. ("BSE"), the Chicago Stock Exchange, Inc. ("CHX"), the Chicago Board Options Exchange, Incorporated ("CBOE"), the International Securities Exchange, Inc. ("ISE"), the National Association of Securities Dealers, Inc. ("NASD"), the National Stock Exchange, Inc. ("NSX"), the Nasdaq Stock Market LLC ("Nasdaq"), and the Philadelphia Stock Exchange, Inc. ("Phlx") (hereinafter referred to collectively as "Participants"),¹ as members of the operating committee ("Operating Committee" or "Committee") of the Plan submitted to the Securities and Exchange Commission ("Commission") a request to extend the operation of the Plan, along with a request for permanent approval of the Plan.²

¹ NYSEArca is the chair of the operating committee ("Operating Committee" or "Committee") for the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis ("Nasdaq UTP Plan" or "Plan") by the Participants.

² See letter from Bridget M. Farrell, Chairman, OTC/UTP Operating Committee, to Nancy M. Morris, Secretary, Commission, dated December 12, 2006.

The Nasdaq UTP Plan governs the collection, processing, and dissemination on a consolidated basis of quotation and last sale information for Nasdaq-listed securities for each of its Participants. This consolidated information informs investors of the current quotation and recent trade prices of Nasdaq securities. It enables investors to ascertain from one data source the current prices in all the markets trading Nasdaq securities. The Plan serves as the required transaction reporting plan for its Participants, which is a prerequisite for their trading Nasdaq securities.³

This order grants summary effectiveness, pursuant to Rule 608(b)(4) under the Securities Exchange Act of 1934 ("Act"),⁴ to the request to extend operation of the Plan, as modified by all changes previously approved ("Date Extension"). Pursuant to Rule 608(b)(4) under the Act,⁵ the Date Extension will be effective upon publication in the Federal Register on temporary basis for 120 days from the date of publication.⁶

II. Discussion

The Commission finds that extending the operation of the Plan is consistent with the requirements of the Act and the rules and regulations thereunder, and, in particular, Section

³ See Securities Exchange Act Release No. 52886 (December 5, 2005), 70 FR 74059 (December 14, 2005).

⁴ 17 CFR 242.608(b)(4).

⁵ 17 CFR 242.608(b)(4).

⁶ The Participants requested that the Commission extend the previously issued exemption from compliance with Section VI.C.1 of the Plan. However, this exemption is no longer necessary as Nasdaq is now a registered national securities exchange with respect to Nasdaq-listed securities.

12(f)⁷ and Section 11A(a)(1)⁸ of the Act and Rules 601 and 608 thereunder.⁹ Section 11A of the Act directs the Commission to facilitate the development of a national market system for securities, "having due regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets," and cites as an objective of that system the "fair competition. . . between exchange markets and markets other than exchange markets."¹⁰ When the Commission first approved the Plan on a pilot basis, it found that the Plan "should enhance market efficiency and fair competition, avoid investor confusion, and facilitate surveillance of concurrent exchange and OTC trading."¹¹ The Plan has been in existence since 1990 and Participants have been trading Nasdaq securities under the Plan since 1993.

The Commission finds that extending the operation of the Plan through summary effectiveness furthers the goals described above by preventing the lapse of the sole effective transaction reporting plan for Nasdaq securities traded by exchanges pursuant to unlisted trading privileges. The Commission believes that the Plan is currently a critical component of the national market system and that the Plan's expiration would have a serious, detrimental impact on the further development of the national market system.

⁷ 15 U.S.C. 78l(f). Nasdaq became an exchange on January 13, 2006. See Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006). Therefore, unlisted trading privileges for Nasdaq securities are governed by Section 12(f)(1)(A)(i).

⁸ 15 U.S.C. 78k-1(a)(1).

⁹ 17 CFR 242.601 and 17 CFR 242.608.

¹⁰ 15 U.S.C. 78k-1(a).

¹¹ See Securities Exchange Act Release No. 28146 (June 26, 1990), 55 FR 27917 (July 6, 1990).

III. Solicitation of Comments

The Commission seeks general comments on the extension of the operation of the Plan, as well as the request for permanent approval of the Plan. Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal 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 S7-24-89 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 S7-24-89. 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 written statements with respect to the Plan extension and the request for permanent approval of the Plan that are filed with the Commission, and all written communications relating to the Plan extension and the request for permanent approval of the Plan 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 Office of the Secretary of the Committee, currently located at the NYSEArca, 100 South Wacker Drive, Suite 1800, Chicago, IL 60606. 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 S7-24-89 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Sections 12(f) and 11A of the Act¹² and paragraph (b)(4) of Rule 608 thereunder,¹³ that the operation of the Plan, as modified by all changes previously approved, be, and hereby is, extended, for a period of 120 days from the date of publication of this Date Extension in the Federal Register.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Florence E. Harmon
Deputy Secretary

¹² 15 U.S.C. 78l(f) and 15 U.S.C. 78k-1.

¹³ 17 CFR 242.608(b)(4).

¹⁴ 17 CFR 200.30-3(a)(27).