

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54038; File No. SR-CTA/CQ-2006-01)

June 23, 2006

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Eighth and Ninth Substantive Amendments to the Second Restatement of the Consolidated Tape Association Plan and the Sixth Substantive Amendment to the Restated Consolidated Quotation Plan

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 608 thereunder,² notice is hereby given that on June 16, 2006, the Consolidated Tape Association (“CTA”) Plan and Consolidated Quotation (“CQ”) Plan participants (“Participants”)³ submitted to the Securities and Exchange Commission (“Commission”) proposals to amend the CTA and CQ Plans (collectively, the “Plans”).⁴ The proposals represent the eighth substantive amendment made to the Second Restatement of the CTA Plan (“Eighth Amendment to the CTA Plan”), the ninth substantive Amendment to the Second Restatement of the CTA Plan (“Ninth Amendment to the CTA Plan”) and the sixth substantive amendment to the Restated CQ Plan (“Sixth Amendment to the CQ Plan”), and reflect changes unanimously adopted by the Participants. The

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

³ Each Participant executed the proposed amendments. The current Participants are the American Stock Exchange LLC (“Amex”); Boston Stock Exchange, Inc. (“BSE”); Chicago Board Options Exchange, Inc. (“CBOE”); Chicago Stock Exchange, Inc. (“CHX”); National Association of Securities Dealers, Inc. (“NASD”); National Stock Exchange (“NSX”); New York Stock Exchange, LLC. (“NYSE”); NYSE Arca, Inc. (“NYSE Arca”); and Philadelphia Stock Exchange, Inc. (“Phlx”).

⁴ See Securities Exchange Act Release Nos. 10787 (May 10, 1974), 39 FR 17799 (order approving CTA Plan); 15009 (July 28, 1978), 43 FR 34851 (August 7, 1978) (order temporarily approving CQ Plan); and 16518 (January 22, 1980), 45 FR 6521 (order permanently approving CQ Plan). The most recent restatement of both Plans was in 1995. The CTA Plan, pursuant to which markets collect and disseminate last sale price information for listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 240.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 240.608. The CQ Plan, pursuant to which markets collect and disseminate bid/ask quotation information for listed securities, is also a “national market system plan” under Rule 608 under the Act, 17 CFR 240.608.

Eighth Amendment to the CTA Plan would modify the procedures that apply to the Processor's recommencement of dissemination of the last sale price information in a security after the security's listing market declares the end to a regulatory halt in the security. The Ninth Amendment to the CTA Plan and the Sixth Amendment to the CQ Plan would add International Securities Exchange, Inc. ("ISE") and the Nasdaq Stock Market LLC ("Nasdaq") as new Participants to the Plans. In addition, these amendments would perform a "housekeeping" function of incorporating into the text of the Plans changes to the corporate names and addresses of some Participants.

Pursuant to Rule 608(b)(3)(ii) under the Act,⁵ the Participants designated the Eighth Amendment to the CTA Plan as concerned solely with technical or ministerial matters and designated the Ninth Amendment to the CTA Plan and the Sixth Amendment to the CQ Plan as concerned solely with the administration of the Plans. As a result, all three amendments have become effective upon filing with the Commission. At any time within 60 days of the filing of the amendments, the Commission may summarily abrogate the amendments and require that such amendments be refiled in accordance with paragraph (a)(1) of Rule 608 and reviewed in accordance with paragraph (b)(2) of Rule 608, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act. The Commission is publishing this notice to solicit comments from interested persons.

⁵ 17 CFR 242.608(b)(3)(ii).

I. Description and Purpose of the Proposed Amendments

A. Application of Listing Market Regulatory Halt Procedures

The Eighth Amendment to the CTA Plan proposes to modify the procedures that apply to the Processor's recommencement of dissemination of last sale price information in a security after the security's listing market declares the end to a regulatory halt in the security.

Currently, the CTA Plan prescribes procedures for re-opening trading in a security after the end of a regulatory trading halt. The Participants propose to remove those procedures from the CTA Plan and to replace them with a cross reference to the procedures governing the reopening of a security after a regulatory halt as set forth in the rules of the listing market for the security. Therefore, the reopening procedures set forth in the rules of the security's listing market, rather than the procedures set forth in the CTA Plan, would govern the security's reopening after a regulatory halt. In the case of a security that is listed simultaneously on more than one market, the reopening procedures of the market on which the security was first listed would apply.

The Participants believe that the change is necessary because the reopening procedures of listing markets have come to diverge from one another and from those set forth in the CTA Plan. (See, e.g., NYSE Rule 123D ("Openings and Halts in Trading") and AMEX Rule 119 ("Indications, Openings and Reopenings")). The amendment removes any inconsistency between reopening procedures under the CTA Plan and reopening procedures under the rules of the listing market.

The Participants also propose to replace references to primary market in Section XI(a) of the CTA Plan with references to listed market.

Proposed deletions are in brackets, proposed new language is underlined:

Section XI. Operational Matters

* * * * *

[Ten minutes after the primary market notification to the Processor of adequate publication or disclosure of information, provided that the primary market has during such 10 minute period caused the Processor to include on the consolidated tape an indication of interest relating to the affected Eligible Security, the Processor shall again commence to disseminate on a current and continuous basis the last sale price information received by it from any Participant or other reporting party after the passage of such 10 minute period.

In the event that the primary market does not cause the Processor to include on the consolidated tape an indication of interest relating to the Eligible Security which is the subject of the Regulatory Halt during the 10 minute time period following the primary market's notification to the Processor of adequate publication or disclosure of information, then the primary market shall cause the Processor to include on the consolidated tape, within 5 minutes after the passage of such 10 minute time period, an administrative message. Such administrative message shall:

- (i) signify a continuation of the Regulatory Halt (such an administrative message shall include the ticker symbol of the affected Eligible Security, the last sale price of such Security as most recently disseminated by the Processor prior to the commencement of the Regulatory Halt, and the reason for the continuation of the Regulatory Halt, such as, "news pending" or "news dissemination"), or
- (ii) announce that a market condition which relates to the trading of the affected Eligible Security in the primary market exists (e.g., a heavy influx or imbalance of orders), in which event the Regulatory Halt shall terminate 5 minutes after the printing of such administrative message on the consolidated tape and thereafter the Processor shall again commence to

disseminate on a current and continuous basis last sale price information received by it from any Participant or other reporting party after the termination of the Regulatory Halt.]

The Processor shall again commence to disseminate on a current and continuous basis the last sale price information received by it from any Participant or other reporting party in the affected Eligible Security in accordance with the re-opening procedures applicable to Regulatory Halts set forth in the rules of the Eligible Security’s listing market. (See, for example, NYSE Rule 123D (“Openings and Halts in Trading”) and AMEX Rule 119 (“Indications, Openings and Reopenings”)).

* * * * *

[For the purposes of this Section XI, the “primary market” for any Eligible Security shall be that exchange Participant in whose market the greatest number of transactions in such Eligible Security reported on the consolidated tape during the preceding six month period (or such shorter period as the Security has been reported on the consolidated tape if it has not been so reported for a full six month period) has taken place.]

For the purposes of this Section XI, the “listing market” for any Eligible Security shall be that exchange Participant on which the Eligible Security is listed. If an Eligible Security is dually listed, “listing market” shall be that exchange Participant on which the Eligible Security was originally listed.

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B. Adding New Participants

The Ninth Amendment to the CTA Plan and the Sixth Amendment to the CQ Plan propose to add the ISE and Nasdaq as new Participants to each Plan.

C. Name and Address Change

The Ninth Amendment to the CTA Plan and the Sixth Amendment to the CQ Plan propose to reflect the name changes from the New York Stock Exchange, Inc. to New York Stock Exchange LLC and from Pacific Exchange, Inc. to NYSE Arca, Inc. In addition, these amendments propose to reflect changes to addresses of BSE and NYSE Arca.

D. Additional Information required by Rule 608(a)

1. Governing or Constituent Documents

Not applicable.

2. Implementation of Amendments

The Participants have manifested their approval of the proposed amendments by means of their execution of the amendments. The amendments have become effective upon filing.⁶

3. Development and Implementation Phases

Not applicable.

4. Analysis of Impact on Competition

The Participants believe that the proposed amendments do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Participants do not believe that the proposed amendments introduce terms that are unreasonably discriminatory for the purposes of Section 11A(c)(1)(D) of the Act.

5. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

Not applicable.

⁶ See id.

6. Approval by Sponsors in Accordance with Plan

Each of the Participants has approved the amendments in accordance with Section IV(b) of the CTA Plan and Section IV(c) of the CQ Plan, as applicable.

7. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

8. Terms and Conditions of Access

Not applicable.

9. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

10. Method of Frequency of Processor Evaluation

Not applicable.

11. Dispute Resolution

Not applicable.

E. Additional Information required by Rule 601(a) (solely with respect to the amendments to the CTA Plan)

1. Reporting Requirements

Not applicable.

2. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

3. Manner of Consolidation

Not applicable.

4. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

5. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

6. Terms of Access to Transaction Reports

Not applicable.

7. Identification of Marketplace of Execution

Not Applicable.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Plans amendments are 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 No. SR-CTA/CQ-2006-01 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 No. SR-CTA/CQ-2006-01. 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 Plan amendment that are filed with the Commission, and all written communications relating to the proposed Plan amendment 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 CTA. 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 No. SR-CTA/CQ-2006-01 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.⁷

Nancy M. Morris
Secretary

⁷ 17 CFR 200.30-3(a)(27).