

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57233; File No. SR-OPRA-2007-05)

January 30, 2008

Options Price Reporting Authority; Order Approving an Amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information to Adopt New Form of Rider to OPRA's Vendor Agreement for Use by Television Companies That Wish to Disseminate OPRA Data

I. Introduction

On December 6, 2007, the Options Price Reporting Authority ("OPRA") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act")¹ and Rule 608 thereunder,² an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information ("OPRA Plan").³ The proposed OPRA Plan amendment would adopt a new form of Television Dissemination Rider to OPRA's Vendor Agreement for use by television companies that wish to disseminate current OPRA Data via a passive scrolling or ticker television display ("Rider"). OPRA's Fee Schedule would be modified to incorporate the fee that OPRA would charge for the dissemination of OPRA Data in the manner discussed below. The proposed OPRA Plan

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

³ 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, Incorporated, the International Securities Exchange, Inc., the NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc.

amendment was published for comment in the Federal Register on December 13, 2007.⁴ The Commission received no comment letters in response to the Notice. This order approves the proposed OPRA Plan amendment.

II. Description of the Proposal

Presently, a company that disseminates current OPRA Data to third parties is a “Vendor” for OPRA’s purposes, and is therefore required to sign OPRA’s Vendor Agreement.

Furthermore, OPRA’s Vendor Agreement states that any person that receives current OPRA Data from a Vendor is a “Subscriber” and requires the Vendor to cause each of its Subscribers to agree to a Subscriber Agreement, either with the Vendor for the benefit of OPRA, or directly with OPRA. OPRA is proposing a new Rider to state that this requirement would not apply to persons that receive OPRA Data in the form of a passive scrolling or ticker television display.

The new Rider would also state that the reporting requirements in the Vendor Agreement that enable OPRA to verify the Vendor’s fees would not apply to television dissemination of OPRA Data. Instead, the Rider would set out requirements that are intended to elicit only the information that OPRA would need in order to verify the fees paid by a television company for television dissemination.

In addition, to accommodate the possibility that some owners of the indexes that OPRA disseminates may not wish to grant television companies the right to disseminate their indexes separately from the dissemination of related options market data, the new Rider would include language providing OPRA with the ability to grant permission to Vendor television companies to display index values separately from the dissemination of related options market data, and to revoke that permission. OPRA would treat all television companies that sign Riders identically

⁴ See Securities Exchange Act Release No. 56926 (December 7, 2007), 72 FR 70907 (“Notice”).

with respect to permission to display index values. However, if OPRA revokes permission to display particular index values separately from the dissemination of related options market data, and, as a consequence, the television company Vendor no longer wishes to display OPRA Data values and to pay fees for doing so, language in the Rider would allow the television company Vendor to terminate the Rider and its Vendor Agreement, or only the Rider, effective as of the date that the index values cease to be available to the television company Vendor.⁵

Furthermore, Section 2 of the Rider would require a television company Vendor to display a legend on its television display at least three times a day. OPRA represents that the form of the legend would be the same as the legend required by the Consolidated Tape Association (“CTA”) for its counterpart Network A service, and the requirement with respect to the display of the legend would be the same as the CTA requirement.⁶

Finally, OPRA proposes to charge a fee for the dissemination via television of current OPRA Data on the basis of the number of “thousands of households reached” by the Vendor television company’s programming.⁷ OPRA represents that this metric is widely used in the television industry and is used by CTA for its counterpart service.

⁵ Any Vendor has the right under paragraph 1(c) of the Rider to terminate the Rider, and under paragraph 19(d) of the OPRA form of Vendor Agreement to terminate the Vendor Agreement, in each case without cause upon thirty days written notice. The termination right essentially provides comfort to a television company Vendor that, if an index ceases to be available to the Vendor on less than thirty days notice, the Vendor may terminate either the Rider alone or the Rider and Vendor Agreement on the date the index ceases to be available.

⁶ See the CTA form of Exhibit C to its form Agreement for Receipt and Use of Consolidated Network A Data and NYSE Market Data for “Cable Broadcasts.”

⁷ Specifically, OPRA plans to charge a fee of \$.50 per 1,000 households reached. See proposed “Television Display Fee” on the OPRA Fee Schedule.

III. Discussion

After careful review, the Commission finds that the proposed OPRA Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.⁸

Specifically, the Commission finds that the proposed OPRA Plan amendment is consistent with Section 11A of the Act⁹ and Rule 608 thereunder¹⁰ in that it is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, and to remove impediments to, and perfect the mechanism of, a national market system.

The Commission believes the new Rider to allow television companies to disseminate current OPRA data via a passive scrolling or ticker television display is consistent with, and would further one of the principal objectives for the national market system set forth in Section 11A(a)(1)(C)(iii) of the Act¹¹ because it would help to assure the availability of information with respect to options information to brokers, dealers, and investors. Furthermore, the Commission believes that the proposed OPRA Plan amendment provides for an equitable allocation of reasonable fees for the dissemination via television of current OPRA Data.

⁸ In approving this proposed OPRA Plan Amendment, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 242.608.

¹¹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,¹² and Rule 608 thereunder,¹³ that the proposed OPRA Plan amendment (SR-OPRA-2007-05) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Florence E. Harmon
Deputy Secretary

¹² 15 U.S.C. 78k-1.

¹³ 17 CFR 242.608.

¹⁴ 17 CFR 200.30-3(a)(29).