

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54036; File No. SR-Phlx-2005-61]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval of Proposed Rule Change, and Amendment Nos. 1 and 2 Thereto, Relating to the Deletion of Certain Exchange Rules

June 23, 2006.

I. Introduction

On October 14, 2005, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to eliminate certain rules that the Exchange believes are obsolete due to changes in the law or the business methods employed by the Exchange. On March 10 and May 1, 2006, respectively, the Exchange submitted Amendment Nos. 1³ and 2⁴ to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on May 18, 2006.⁵ No comments were received regarding the proposal, as amended. This order approves the proposed rule change, as amended.

II. Description of the Proposed Rule Change

Phlx is proposing to remove from its rule book Phlx Rules 129, 241-248, and 923.

Phlx Rule 129: Withdrawal of Orders

Phlx rule 129 prohibits the withdrawal of an order from the Exchange, at the request of another member, for the purpose of the purchase or sale of the securities outside of the Exchange.

Phlx Rules 241-248: Rules for Special Offerings

Phlx Rules 241-248 concern special offerings of securities on the Exchange. In 1942, the Commission amended Rule 10b-2 under the Act to permit an exemption for special offerings under a plan filed with the Commission by an exchange.⁶ Phlx's Plan, contained in Phlx rules 241-248, permits special offerings, at a fixed price and for a fixed period of time, on the Exchange where the quantity of stock involved cannot be absorbed in the regular auction market within a reasonable time and at a reasonable price. Phlx rules 241-248 permit a person making a special offering to pay a special commission to a broker for a purchasing customer.

Generally, Phlx Rules 241-248 specify a minimum share size of 1,000 shares, with a value of \$25,000. According to the Exchange, by today's standards, 1,000 shares of stock with a value of \$25,000 is not a quantity of stock that cannot readily be absorbed in the regular auction market. Phlx Rules 241-248 predate Phlx crossing Rule 126, which has special cross provisions for Trust Shares of 25,000 shares or greater and all securities of 5,000 shares or greater, and PACE, which is described in Phlx Rule 229 and which sets minimum automatic execution sizes for securities on the system of 599 shares, noting that specialists may set higher levels.

In proposing the rescission of Rule 10b-2, the Commission indicated that it believed that the significant changes that have taken place in the securities markets since Rule 10b-2's adoption, and the coverage of other anti-fraud and anti-manipulation provisions of the Federal securities laws, made it appropriate to rescind Rule 10b-2.⁷ The Exchange now proposes to delete Phlx Rules 241-248, the plan adopted in response to Rule 10b-2, because it believes that these rules are obsolete as the Commission rescinded Rule 10b-2 and the Exchange has not utilized Phlx Rules 241-248 in the past twenty years.⁸

Phlx Rule 923: Member Officers

Phlx Rule 923 requires members associated with member corporations to be officers and voting stockholders of those member corporations, noting that

the Exchange may waive the voting stock requirement of the rule.

III. Discussion

After careful consideration, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposal is consistent with section 6(b)(5) of the Act,⁹ which requires, in part, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.¹⁰

As noted above, the Exchange proposes to clarify the Exchange's rules by eliminating provisions that no longer are necessary and are obsolete. The Commission believes these changes are consistent with the Act. With respect to the deletion of Phlx Rule 129, the Exchange notes that currently members, in exercising their duty to obtain best execution for orders entrusted to them, may remove orders from the Exchange and seek execution in other venues. With respect to the proposed deletion of Phlx Rules 241-248, the Commission notes that these rules are substantially similar to former NYSE Rule 391, which was rescinded in 1993.¹¹ In approving the NYSE's deletion of this rule, the Commission noted that it was appropriate for the Exchange to rescind NYSE Rule 391 in light of the rescission of Rule 10b-2.

Moreover, the Commission believes that it is consistent with the Act for Phlx to delete Phlx Rule 923, to provide member corporations additional flexibility to choose whom in their company to employ as members of the Exchange. According to the Exchange, this rule was adopted as least fifty years ago, when most member corporations were small regional companies. The purpose of this rule at that time, according to the Exchange, may have been to provide an additional means of obtaining security for the debts of the member corporation by requiring that the members who were trading the securities also be officers and/or owners of the corporation. Today, Phlx has other rule-based means to require adequate financial security for the debts

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1, which replaced the original filing in its entirety, made clarifying changes to the proposed rule change and sought to retain Phlx Rules 229 Supplementary Material .07(c)(ii) and 236.

⁴ Amendment No. 2, which replaced the original filing and Amendment No. 1 in their entirety, made general clarifying changes to the proposed rule change and sought to retain Phlx rule 219, as well as Phlx rules 229 Supplementary Material .07(c)(ii) and 236. Phlx states that it plans to propose to delete Phlx Rules 219, 229 Supplementary Material .07(c)(ii), and 236 in a future proposed rule change regarding a change to Phlx systems.

⁵ See Securities Exchange Act Release No. 53795 (May 12, 2006), 71 FR 28893 (May 18, 2006) ("Notice").

⁶ Phlx filed its plan in 1943. See Securities Exchange Act Release No. 3487 (September 23, 1943).

⁷ See Securities Exchange Act Release No. 32100 (April 2, 1993), 58 FR 18145 (April 8, 1993).

⁸ See also Securities Exchange Act Release No. 32822 (August 31, 1993), 58 FR 47484 (September 9, 1993) (SR-NYSE-93-20) (rescinding New York Stock Exchange ("NYSE") Rule 391, which is similar to Phlx Rules 241-248).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ In approving this proposal, the Commission has considered the proposed rule's impact of efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ See Securities Exchange Act Release No. 32822, *supra* note 8.

of member corporations and for ensuring that member corporations are generally financially solvent.¹²

IV. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-Phlx-2005-61), as amended, is approved.

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

Nancy M. Morris,
Secretary.

[FR Doc. 06-5792 Filed 6-28-06; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #10505 and #10506]

Iowa Disaster #IA-00004

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Iowa dated 06/22/2006.

Incident: Severe Storms and Tornadoes.

Incident Period: 04/13/2006 through 04/14/2006.

Effective Date: 06/22/2006.

Physical Loan Application Deadline Date: 08/21/2006.

Economic Injury (EIDL) Loan Application Deadline Date: 03/22/2007.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, National Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties:

Johnson.

Contiguous Counties: Iowa:

Benton, Cedar, Iowa, Linn, Louisa, Muscatine, Washington.

The Interest Rates are:

	Percent
Homeowners With Credit Available Elsewhere	5.750
Homeowners Without Credit Available Elsewhere	2.875
Businesses With Credit Available Elsewhere	7.408
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000
Other (Including Non-Profit Organizations) With Credit Available Elsewhere	5.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere	4.000

The number assigned to this disaster for physical damage is 10505 C and for economic injury is 10506 O.

The State which received an EIDL Declaration # is Iowa.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Hector V. Barreto,
Administrator.

[FR Doc. E6-10227 Filed 6-28-06; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

National Advisory Council; Notice of Cancellation for Public Meeting

The U.S. Small Business Administration (SBA), National Advisory Council public meeting originally scheduled for Friday, June 30, 2006, will be cancelled until further notice. The Web site will be updated with information on the new date, time and location. The Web site is <http://www.sba.gov/nac/index.html>.

If you have any questions, please contact Balbina Caldwell, Director of the National Advisory Council, SBA Headquarters, 409 3rd Street, SW., Washington, DC 20416, phone (202) 205-6914, e-mail: Balbina.Caldwell@sba.gov.

Matthew K. Becker,
Committee Management Officer.

[FR Doc. E6-10229 Filed 6-28-06; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Federal Highway Administration

[Docket Number: FTA-2006-24905]

Notice of Availability of Proposed Guidance on Section 6002 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and Request for Comments

AGENCIES: Federal Transit Administration (FTA), Federal Highway Administration (FHWA), DOT.

ACTION: Notice of availability; request for comments.

SUMMARY: This notice announces the availability of proposed guidance on the application of section 6002 of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Pub. L. 109-59, 119 Stat. 1144) to projects funded by the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), or both. Section 6002 of SAFETEA-LU adds requirements and refinements to the environmental review process for highway and public transportation capital projects. The proposed guidance describes how FTA and FHWA propose to implement the new requirements within the environmental review process required by the National Environmental Policy Act (NEPA) and other Federal laws. The FTA and FHWA request public comments on this proposed guidance.

DATES: Comments must be received by July 31, 2006. Late filed comments will be considered to the extent practicable.

ADDRESSES: The proposed guidance is available on the FTA Web site at <http://www.fta.dot.gov/Section6002.doc>, in the DOT docket at <http://dms.dot.gov> in docket number FTA-2006-24905, or in hardcopy by contacting the individuals listed below under **FOR FURTHER INFORMATION CONTACT**.

Comments, which must be identified by the docket number FTA-2006-24905, may be submitted by any of the following methods:

Web site: Link to <http://dms.dot.gov> and follow the instructions for submitting comments on the DOT electronic docket site.

Fax: Telefax comments to (202) 493-2251.

U.S. Mail: Mail comments to Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., PL-401, Washington, DC 20590.

Hand Delivery: Deliver to Room PL-401 on the plaza level of the Nassif

¹² See e.g., Phlx Rule 909 (requiring member organizations to provide and maintain security for any claims owed to the Exchange and other members and member organizations); and Phlx Rule 924 (making the member organization liable for the fees, fines, dues, penalties and other amounts imposed by the Exchange on its members; this provision applies regardless of the officer or ownership status of the member). According to Phlx, member corporations are a subset of member organizations. Therefore, Phlx Rules 909 and 924 apply to member corporations.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).