

OCC amended the proposed rule change on October 26, 2006, to propose amending Article XXII, Section 4 of OCC's By-Laws to conform the provisions relating to unavailability or inaccuracy of the spot price for Cash-Settled FCOs to the comparable provisions of Article XVII of OCC's By-Laws relating to the unavailability or inaccuracy of the current index value or other value or price used to determine the exercise settlement amount for index options. The primary conforming changes are the proposed addition of procedures under which the exercise settlement amount would be established by an adjustment panel in the event of the unavailability or inaccuracy of the spot price and a modification of normal expiration date exercise procedures in situations in which the adjustment panel delays the fixing of the exercise settlement amount beyond the last trading day for the affected series.

This amendment also proposes to amend Rule 2302 of OCC's Rules in connection with a change in the expiration date exercise procedures for Cash-Settled FCOs. As originally filed, the rules for Cash-Settled FCOs would have provided for true automatic exercise without the opportunity for clearing members to give non-exercise instructions. Phlx has subsequently informed OCC that Cash-Settled FCOs should be subject to the same "exercise-by-exception" procedures that apply to many other OCC-issued options. Under "exercise-by-exception" procedures, a Cash-Settled FCO would be deemed to be exercised at expiration if the exercise settlement value is at least \$1.00 per contract unless the clearing member instructs OCC not to exercise it. OCC is also proposing to add an interpretation to Rule 2302 to note that the normal expiration date exercise procedures do not apply in circumstances in which the fixing of the exercise settlement amount is delayed beyond the last trading day before expiration of cash-settled foreign currency options.

OCC believes that the proposed rule change is consistent with Section 17A of the Act because it is designed to promote the prompt and accurate clearance and settlement of derivative transactions in Cash-Settled FCOs, to foster cooperation and coordination with persons engaged in the clearance and settlement of such transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of such transactions, and, in general, protect investors and the public interest.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

OCC does not believe that the proposed rule change would impose any burden on competition.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others*

Written comments were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2006-10 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR-OCC-2006-10. 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 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 inspection and copying in the Commission's Public Reference Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at <http://www.optionsclearing.com>.

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-OCC-2006-10 and should be submitted on or before December 8, 2006.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Nancy M. Morris,**  
Secretary.

[FR Doc. E6-19419 Filed 11-16-06; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-54734; File No. SR-SCCP-2006-02]

### **Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Order Granting Approval of a Proposed Rule Change Relating to the Definition of a Margin Member**

November 9, 2006.

#### **I. Introduction**

On August 14, 2006, Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-SCCP-2006-02 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on September 29, 2006.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is

<sup>5</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> Securities Exchange Act Release No. 54488, (September 22, 2006), 71 FR 57598.

granting approval of the proposed rule change.

## II. Description

The rule change amends the definition of "margin member" in SCCP Rule 1, Definitions, to accommodate the introduction of equity market makers on the Philadelphia Stock Exchange ("Phlx") and to reflect the introduction of Phlx's new equity trading system, XLE, which will replace Phlx's equity trading floor.<sup>3</sup> XLE is an electronic trading system which will provide for the entry, display, ranking, routing, and execution of orders in NMS stocks<sup>4</sup> for its members and member organizations ("XLE Participants"). The current equity specialists will be replaced by market makers, a type of XLE Participant, which will be liquidity providers on XLE.<sup>5</sup>

SCCP Rule 1, Definitions, currently defines "margin members" as SCCP participants that are Phlx specialists, alternate specialists, or other Phlx floor members specifically approved by the National Securities Clearing Corporation to effect trading in a margin account. Margin members that clear and settle their transactions through SCCP's "omnibus clearance and settlement account" at NSCC receive margin accounts from SCCP.<sup>6</sup> SCCP expects that many of its current margin members that are Phlx specialists, alternate specialists, or other Phlx floor members will become XLE Participants, including market makers, upon approval of XLE. This rule change amends the definition of margin member in SCCP's rules to add the term market maker<sup>7</sup> and to remove the word floor from the term Phlx floor member. This will allow SCCP members that are currently margin members under Rule 1 of SCCP's rules to maintain their status as margin members following Phlx's transition to XLE.

SCCP believes that the proposed rule change is consistent with Section 17A of

the Act<sup>8</sup> because the proposed rule change is designed to allow current SCCP margin members to maintain their status as they transition from the current floor based trading environment at Phlx to the XLE electronic trading system and would thereby promote the prompt and accurate clearance and settlement of securities transactions and remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance of securities transactions.

## III. Discussion

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>9</sup> SCCP is a member of NSCC and has an omnibus clearance and settlement account at NSCC through which its margin members' transactions are cleared and settled. The proposed rule change amends the definition of margin member in SCCP's rules to accommodate the Phlx rule change regarding XLE that was recently approved by the Commission. The proposed rule change neither affects the services SCCP may provide to its member nor affects SCCP's agreement with NSCC to clear and settle transactions submitted through SCCP's omnibus account. Accordingly, because the proposed rule change is designed to be consistent with the new Phlx rules for the XLE trading platform and to avoid any confusion with respect to the services SCCP's members may receive either directly from SCCP or through SCCP's omnibus clearance and settlement account at NSCC, we find that it is designed to promote the prompt and accurate clearance and settlement of securities transactions.

## IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-SCCP-2006-02) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Nancy M. Morris,

Secretary.

[FR Doc. E6-19422 Filed 11-16-06; 8:45 am]

BILLING CODE 8011-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Notice of Intent to Request Revision From the Office of Management and Budget of a Currently Approved Information Collection Activity, Request for Comments; FAA Antidrug And Alcohol Misuse Prevention Programs

**AGENCY:** Federal Aviation Administration, (FAA), DOT.

**ACTION:** Notice and request for comments.

**SUMMARY:** The FAA invites public comments about our intention to request the Office of Management and Budget (OMB) to approve a current information collection. The FAA uses this information for determining program compliance or non-compliance of regulated aviation employers, oversight planning, determining who must provide annual MIS testing information, and communicating with entities subject to the program regulations.

**DATES:** Please submit comments by January 16, 2007.

**FOR FURTHER INFORMATION CONTACT:** Carla Mauney on (202) 267-9895, or by e-mail at: [Carla.Mauney@faa.gov](mailto:Carla.Mauney@faa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Federal Aviation Administration (FAA)

*Total:* FAA Antidrug And Alcohol Misuse Prevention Programs.

*Type of Request:* Revision of an approved collection.

*OMB Control Number:* 2120-0535.

*Forms(s):* There are no FAA forms associated with this collection.

*Affected Public:* A total of 7,000 Respondents.

*Frequency:* The information is collected on occasion.

*Estimated Average Burden Per Response:* Approximately 5 minutes per response.

*Estimated Annual Burden Hours:* An estimated 22,892 hours annually.

*Abstract:* The FAA uses this information for determining program compliance or non-compliance of regulated aviation employers, oversight planning, determining who must

<sup>3</sup> Securities Exchange Act Release No. 54538 (September 28, 2006), 71 FR 59184 (October 6, 2006) [File No. SR-Phlx-2006-43] (Order granting approval of a proposed rule change relating to Phlx's new equity trading system, XLE).

<sup>4</sup> 17 CFR 242.600(b)(47).

<sup>5</sup> Not every security on XLE will require a market maker. However, if a market maker or multiple market makers choose to register in a security, they must provide a two-sided market in that security on XLE during regular trading hours (usually 9:30 AM to 4:00 PM) of the security. Therefore, some securities on XLE may have no market makers or may have one or more market makers.

<sup>6</sup> SCCP Rule 9, Margin Accounts.

<sup>7</sup> The rule change in File No. SR-Phlx-2006-43 defines the term "market maker" in Phlx Rule 1, Definitions, paragraph (m). It also adds new rules 170 through 174 to set forth the registration requirements, rights, and obligations of Phlx market makers.

<sup>8</sup> 15 U.S.C. 78q-1.

<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>10</sup> 17 CFR 200.30-3(a)(12).