

manner. FICC's proposed rule change also includes revised risk management measures (e.g., revised clearing fund calculation and margin offsets) to address potential risk resulting from the revised repo substitution rules. As such, FICC's proposed rule change also should result in FICC being able to safeguard securities and funds which are in its possession and control or for which it is responsible.

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,¹⁷ that the proposed rule change (File No. SR-FICC-2005-18) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53536; File No. SR-NASD-2006-026]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Establishing CTCI Station-Based Pricing for Members

March 21, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 22, 2006, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Nasdaq. Nasdaq filed Amendment No. 1 to the proposed rule change on March 10, 2006.³ Nasdaq

has designated this proposal as establishing or changing a due, fee, or other charge of a self-regulatory organization, pursuant to section 19(b)(3)(A)(ii) of the Act,⁴ and Rule 19b-4(f)(2) thereunder,⁵ which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

Nasdaq proposes to modify fees for Nasdaq access through the Computer to Computer Interface ("CTCI") protocol.⁶ The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in brackets.⁷

Rule 7010. System Services

(a)-(e) No Change

(f)(1)-(2) No Change

(3) [Computer to computer interface (CTCI) and] Financial Information Exchange (FIX)

Options	Price
[Option 1: Dual 56kb lines (one for redundancy) single hub and router, and optional single FIX port.].	[\$1275/month].
[Option 2: Dual 56kb lines (one for redundancy), dual hubs (one for redundancy), and dual routers (one for redundancy), and optional single FIX port.].	[\$1600/month].

period to have commenced on March 10, 2006, the date Nasdaq filed Amendment No. 1.

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(f)(2).

⁶ The instant proposed rule change establishes fees for NASD members. The identical fees for non-members were established in SR-NASD-2006-027. See Securities Exchange Act Release No. 53535 (March 21, 2006).

⁷ Changes are marked to the rule text that appears in the electronic NASD Manual found at <http://www.nasdaq.com>. Prior to the date when The NASDAQ Stock Market LLC ("NASDAQ LLC") commences operations, NASDAQ LLC will file a confirming change to the rules of NASDAQ LLC approved in Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006) (File No. 10-131).

Options	Price
[Option 3: Dual T1 lines (one for redundancy), dual hubs (one for redundancy), dual routers (one for redundancy), and optional single FIX port. Includes base bandwidth of 128kb.].	[\$8000/month (CTCI or CTCI/FIX lines) \$4000/month (FIX-only lines)].
FIX Trading Port (NMC and Brut).	\$400/port/month.
FIX Port for Services Other than Trading.	\$500/port/month.
Dedicated FIX server	\$1,000/server/month.
Dedicated FIX server (Brut).	\$3,000/server/month; initial term of not less than 12 months is required.
[Option 1, 2, or 3 with Message Queue software enhancement].	[Fee for Option 1, 2, or 3 (including any Bandwidth Enhancement Fee) plus 20%].
[Disaster Recovery Option: Single 56kb line with single hub and router and optional single FIX port. (For remote disaster recovery sites only).].	[\$975/month].
[Bandwidth Enhancement Fee (for T1 subscribers only)].	[\$600/month per 64kb increase above 128kb T1 base].
[Installation Fee]	[\$2000 per site for dual hubs and routers \$1000 per site for single hub and router].
[Relocation Fee (for the movement of TCP/IP-capable lines within a single location)].	[\$1700 per relocation].

[FIX connectivity through Options 1, 2, or 3 or the Disaster Recovery Option will not be available to new subscribers that are (i) NASD members after January 1, 2004, or (ii) not NASD members after the effective date of SR-NASD-2003-196.]

(4) Computer to Computer Interface (CTCI).

The fees in the table below are applicable to NASD members that have transitioned off of Nasdaq-supported circuits, and as of July 1, 2006, also apply to NASD members that have not transitioned.

Stations

Fee component	Fee
1st Station	\$200/Station/month
Each Additional Station.	\$600/Station/month

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ For purposes of calculating the 60-day abrogation period, the Commission considers the

The bandwidth-based fees in the table below apply to NASD members that have not transitioned off of Nasdaq-supported circuits, and, pending approval of SR-NASD-2006-027, to non-members as indicated.

Bandwidth	
<i>Fee component</i>	<i>Fee</i>
Single 56kb line with single hub and router (for remote disaster recovery sites only).	\$900/month for members \$975/month for non-members
Option 1	
Dual 56kb lines (one for redundancy) and single hub and router.	\$1,000/month for members \$1,275/month for non-members
Option 2	
Dual 56kb lines (one for redundancy), dual hubs (one for redundancy), and dual router (one for redundancy).	\$1,200/month for members \$1,600/month for non-members
Option 3	
Dual T1 lines (one for redundancy), dual hubs (one for redundancy), and dual routers (one for redundancy). Includes base bandwidth of 128kb.	\$2,500/month for members \$8,000/month for non-members
Bandwidth Enhancement Fee (for T1 subscribers only)	
Per 64kb increase above 128kb T1 base.	\$200/month for members \$600/month for non-members
Option 1, 2, or 3 with Message Queue software enhancement.	Fee for Option 1, 2, or 3 (including any Bandwidth Enhancement Fee) plus 20%
Installation Fee	\$2,000 per site for dual hubs and routers \$1,000 per site for single hub and router
Relocation Fee (for the movement of TCP/IP-capable lines within a single location).	\$1,700 per relocation

[(4)] (5) New Nasdaq Workstation.
(g)-(w) No Change.

* * * * *

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Nasdaq is modifying fees for member access to Nasdaq through the CTCI protocol. Through the implementation of FIX and QIX and the sunset of the SDP/API, Nasdaq has continued towards its goal of allowing firms and service bureaus to choose their own circuit connectivity provider for access to Nasdaq's products and services. CTCI is the only remaining Nasdaq protocol that requires the firm to choose a Nasdaq-provided circuit for connectivity. In order for Nasdaq to complete its strategy, Nasdaq seeks to modify the CTCI pricing structure in order to transition from circuit-based fee components based on bandwidth to "Station" fee components that are more synonymous with logical access ports.

CTCI Stations are logical channels used to manage the flow of data to and from the firm user. Stations are synonymous with the logical access ports used for FIX and QIX as they have the same characteristics, including a one-to-one relationship between the firm and Station and throughput limits. For this reason, Nasdaq chose a Station-based fee component for its new pricing. In order to facilitate the transition, Nasdaq seeks to modify the current bandwidth based fees to Nasdaq's circuit cost imposed by its carrier plus an administration cost. Firms that decide not to transition off of Nasdaq supported circuits will pay the new bandwidth-based fees in addition to Station fees.

Nasdaq expects almost all firms to transition to new circuit connections but that the transition date will be different for each firm. As a result, Nasdaq intends to implement the new pricing structure once a firm has transitioned to a different circuit connection. However, the new pricing will be applied to all firms on July 1,

2006 regardless of the firm's transition plan. Thus, a firm that transitions will pay only the station fee. A firm that does not transition will pay only the bandwidth fee prior to July 1, but will pay both the station and the bandwidth fee between July 1 and the date when it does transition.

2. Statutory Basis

Nasdaq believes the proposed rule change is consistent with the provisions of section 15A of the Act,⁸ in general, and sections 15A(b)(5)⁹ of the Act, in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the NASD operates or controls. The proposed rule change will modify the current CTCI pricing structure in order to transition from circuit-based fee components based on bandwidth to "Station" fee components that are more synonymous with logical access ports.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The proposed rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act¹⁰ and subparagraph (f)(2) of Rule 19b-4 thereunder,¹¹ because it establishes or changes a due, fee, or other charge imposed by NASD. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

⁸ 15 U.S.C. 78o-3.

⁹ 15 U.S.C. 78o-3(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

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. Please include File Number SR-NASD-2006-026 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 NASD-2006-026. 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 Room. Copies of the filing also will be available for inspection and copying at the principal offices of NASD. 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 NASD-2006-026 and should be submitted on or before April 19, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53538; File No. SR-NASD-2006-037]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Extending the Effective Date of the Uniform Branch Office Definition and Related Interpretive Material and Extending the Transition Deadline for Compliance With Form BR and Form U4 Filing Requirements

March 22, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 14, 2006, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD has designated the proposed rule change as constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD is filing with the Commission an extension of the effective date of amendments to NASD Rule 3010(g)(2)(A) which defines the term "branch office," and related IM-3010-1 which provides guidance on factors to be considered by members when conducting internal inspections of offices ("Uniform Branch Office Definition"), from May 1, 2006 to July 3, 2006.⁵ Further, NASD is extending from May 1, 2006 to July 3, 2006 the transition deadline for compliance with Form BR (Uniform Branch Office Registration Form) and Form U4 (Uniform Application for Securities Industry Registration or Transfer) filing

requirements for firms with branch offices in existence before the close of business on October 14, 2005.⁶ NASD is not proposing any textual changes to NASD's rules.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASD has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On September 9, 2005, the SEC approved: (1) amendments to NASD Rule 3010(g)(2) which defines the term "branch office" and (2) the adoption of IM-3010-1 to provide interpretive guidance on factors to be considered by members in conducting internal inspections of offices.⁷ In the rule filing, NASD stated that the effective date of the Uniform Branch Office Definition would follow deployment of the new branch office registration system on the Central Registration Depository (CRD®), and that members would have sufficient time to transition to the new Form BR (Uniform Branch Office Registration Form) and associated filing protocols.⁸ Following SEC approval of the Uniform Branch Office Definition, NASD announced in a *Notice to Members* that the effective date of the amendments would be May 1, 2006.⁹

In addition, on September 30, 2005, the SEC approved the Form BR and conforming and technical changes to Form U4 (Uniform Application for Securities Industry Registration or Transfer) and Form U5 (Uniform Termination Notice for Securities Industry Registration).¹⁰ In the rule

⁶ See Securities Exchange Act Release No. 52544 (September 30, 2005), 70 FR 58764 (October 7, 2005) (SR-NASD-2005-030) ("Form BR Approval Order").

⁷ See Uniform Branch Office Definition Approval Order.

⁸ See Form BR Approval Order. See also NASD *Notice to Members* 05-66 (October 2005).

⁹ See NASD *Notice to Members* 05-67 (October 2005).

¹⁰ See Form BR Approval Order. See also NASD *Notice to Members* 05-66 (October 2005).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ See Securities Exchange Act Release No. 52403 (September 9, 2005), 70 FR 54782 (September 16, 2005) (SR-NASD-2005-104) ("Uniform Branch Office Definition Approval Order").

¹² 17 CFR 200.30-3(a)(12).