

All submissions should refer to File Number SR-Phlx-2007-54. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Phlx. 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-Phlx-2007-54 and should be submitted on or before September 14, 2007.

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

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-16755 Filed 8-23-07; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56284; File No. SR-Phlx-2007-62]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change Relating to the Extension and Expansion of a Pilot Program To Quote and Trade Certain Option Series in Increments of \$0.01

August 17, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup>

notice is hereby given that on August 17, 2007 the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") 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 substantially prepared by the Phlx. 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

The Phlx proposes to extend and expand a pilot program (the "Pilot") that permits certain options series to be quoted and traded in increments of \$0.01, through March 27, 2009. The extended Pilot would include additional options that are not part of the current Pilot. The text of the proposed rule change is available on the Exchange's Web site at (<http://www.phlx.com>), at the offices of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange 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. The Exchange 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

The purpose of the proposed rule change is to continue to permit specified options series to be quoted and traded in increments of \$0.01 by extending the Pilot through March 27, 2009, and to expand the Pilot to include additional options, as described more fully below. The Exchange believes that including additional options in the Pilot should provide greater breadth and depth of experience in quoting and trading options series in increments of \$0.01, and should therefore enable the Exchange to better analyze the impact of the Pilot on the options marketplace.

#### Current Pilot

The current Pilot began on January 26, 2007,<sup>3</sup> and was thereafter extended through September 27, 2007.<sup>4</sup> All series in options included in the Pilot ("Pilot Options," listed below) trading at a price of less than \$3.00 are currently quoted and traded in minimum increments of \$0.01, and Pilot Options with a price of \$3.00 or higher are currently quoted and traded in minimum increments of \$0.05, except that options overlying the Nasdaq-100 Index Tracking Stock ("QQQQ")<sup>5</sup> are quoted and traded in minimum increments of \$0.01 for all series regardless of the price. A list of all Pilot Options was communicated to membership via Exchange circular.

The options included in the current Pilot are:

Symbol	Underlying security
IWM .....	Ishares Russell 2000
QQQQ .....	QQQQ
SMH .....	SemiConductor Holders
GE .....	General Electric
AMD .....	Advanced Micro Devices
MSFT .....	Microsoft
INTC .....	Intel
CAT .....	Caterpillar
WFMI .....	Whole Foods
TXN .....	Texas Instruments
A .....	Agilent Tech Inc.
FLEX .....	Flextronics International
SUNW .....	Sun Micro

#### Expanded Pilot

The Exchange proposes to expand the current Pilot to include additional options in two phases, beginning on September 28, 2007.

<sup>3</sup> See Securities Exchange Act Release No. 55153 (January 23, 2007), 72 FR 4553 (January 31, 2007) (SR-Phlx-2006-74). In that filing, the Exchange also made conforming amendments to various Exchange rules in order to be consistent with the Pilot. These conforming changes were also approved on a six-month pilot basis. Therefore, the Exchange is proposing to extend the effective date for these rules through March 27, 2009.

<sup>4</sup> See Securities Exchange Act Release No. 56141 (July 24, 2007), 72 FR 42216 (August 1, 2007) (SR-Phlx-2007-53).

<sup>5</sup> The Nasdaq-100<sup>®</sup>, Nasdaq-100 Index<sup>®</sup>, Nasdaq<sup>®</sup>, The Nasdaq Stock Market<sup>®</sup>, Nasdaq-100 Shares<sup>SM</sup>, Nasdaq-100 Trust<sup>SM</sup>, Nasdaq-100 Index Tracking Stock<sup>SM</sup>, and QQQ<sup>SM</sup> are trademarks or service marks of The Nasdaq Stock Market, Inc. (Nasdaq) and have been licensed for use for certain purposes by the Philadelphia Stock Exchange pursuant to a License Agreement with Nasdaq. The Nasdaq-100 Index<sup>®</sup> (the Index) is determined, composed, and calculated by Nasdaq without regard to the Licensee, the Nasdaq-100 Trust<sup>SM</sup>, or the beneficial owners of Nasdaq-100 Shares<sup>SM</sup>. Nasdaq has complete control and sole discretion in determining, comprising, or calculating the Index or in modifying in any way its methods for determining, comprising, or calculating the Index in the future.

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

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

<sup>2</sup> 17 CFR 240.19b-4.

*Phase I*

Phase I would begin September 28, 2007, and would continue through March 27, 2008. Phase I would include the original 13 Pilot Options, together with 22 additional options. The 22 new options (listed below), combined with the original 13, would represent approximately 35% of national trading volume based on year-to-date trading volume data (through July 16, 2007) from the Options Clearing Corporation ("OCC"). Excluded from this phase are Google, NDX and RUT due to their relatively high premiums.

All Pilot Options in Phase I would trade in \$0.01 increments in series trading below \$3.00, and in \$0.05 increments in series trading at \$3.00 and above, except that options on QQQQ would continue to trade in increments of \$0.01 for all series.

Options to be added to the Pilot in Phase I:

Symbol	Underlying security
SPY .....	SPDR Trust Series 1
AAPL .....	Apple Inc.
MO .....	Altria Group Inc.
DNDN .....	Dendreon Corporation
AMGN .....	Amgen, Inc.
YHOO .....	Yahoo!, Inc.
QCOM .....	Qualcomm, Inc.
GM .....	General Motors Corporation
XLE .....	S&P Energy Select Sector SPDR
DIA .....	DIAMONDS Trust Series I
OIH .....	Oil Services HOLDRS
NYX .....	NYSE Euronext
CSCO .....	Cisco Systems, Inc.
XLF .....	S&P Financial Select Sector SPDR
T .....	AT&T Corporation
C .....	Citigroup, Inc.
AMZN .....	Amazon.com, Inc.
MOT .....	Motorola, Inc.
RIMM .....	Research in Motion, Ltd.
FCX .....	Freeport-McMoRan Cooper & Gold, Inc.
COP .....	ConocoPhillips
BMJ .....	Bristol-Meyers Squibb Company

The Exchange would issue a circular to membership identifying the options to be added to the Pilot in Phase I.

*Phase II*

Phase II would begin March 28, 2008, and would extend for one year, through March 27, 2009. Options would be added to the Pilot in Phase II such that the Top 50 multiply listed options by national volume would be included, bringing the total number of options in the Pilot to 63. Thus, any multiply listed options in the Top 50 that are not included in Phase I would be added to the Pilot in Phase II. The Exchange would file a proposed rule change under Section (b)(3)(A) of the Act, and would

issue a circular to membership, identifying the options to be added to the Pilot in Phase II.

Again, all penny options in Phase II would trade in \$0.01 increments in series trading below \$3.00, and in \$0.05 increments in series trading at \$3.00 and above. Options on QQQQ would continue to trade in increments of \$0.01 for all series.

*Reporting*

The Exchange would submit four (4) reports on the Pilot analyzing its impact on the quality of the Exchange's markets and on capacity, which would be due on the last day of the calendar month following a specified period, as follows:

Report #1 would cover the period from May 1, 2007–September 27, 2007

Report #2 would cover the period from September 28, 2007–January 31, 2008

Report #3 would cover the period from February 1, 2008–July 31, 2008

Report #4 would cover the period from August 1, 2008–January 31, 2009

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that the proposed rule change is 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 by expanding the Pilot to include more options series.

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

The Exchange 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.

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

Written comments on the proposed rule change were neither solicited nor 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

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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 Exchange consents, the Commission will:

(A) By order approve such 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. The Commission also requests and encourages interested persons to submit comments on the following specific questions:

- Whether there are circumstances under which options classes included in the Penny Pilot should be removed from the Pilot?

- If so, what factors should be considered in making the determination to remove an option class from the Penny Pilot?

- Should an objective standard be used? For instance, should an option class come out of the Penny Pilot if its trading volume drops below a threshold amount? If so, what should that threshold be? Or, should an option class come out of the Penny Pilot if it is no longer among the most actively-traded options? If so, what should be considered the most-actively traded options? What statistics or analysis should be used to support a determination to remove an options class?

- Should a more subjective analysis be allowed? If so, what factors should be taken into account?

- What concerns might arise by removing an option from the Penny Pilot? How could such concerns be ameliorated?

- How frequently should the analysis be undertaken (e.g., annually, bi-annually, quarterly), or should the evaluation be an automated process?

- If a determination is made that an option should be removed from the Penny Pilot, how much notice should be given to market participants that the quoting increment will change?

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-Phlx-2007-62 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-Phlx-2007-62. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. 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-Phlx-2007-62 and should be submitted on or before September 14, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Florence E. Harmon,**  
*Deputy Secretary.*

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BILLING CODE 8010-01-P

**DEPARTMENT OF STATE**

[Public Notice 5886]

**Industry Advisory Panel: Notice of Open Meeting**

The Industry Advisory Panel of Overseas Buildings Operations will meet on Thursday, September 20, 2007 from 9:30 until 3:30 p.m. Eastern Standard Time. The meeting will be

held in room 1107 of the U.S. Department of State, located at 2201 C Street, NW., (entrance on 23rd Street), Washington, DC. For logistical and security reasons, it is imperative that everyone enter and exit using only the 23rd Street entrance. The majority of the meeting is devoted to an exchange of ideas between the Department's Bureau of Overseas Building Operations' senior management and the panel members, on design, operations, and building maintenance. Members of the public are asked to kindly refrain from joining the discussion until Director Williams opens the discussion to them.

Entry to the building is controlled; to obtain pre-clearance for entry, members of the public planning to attend should provide, by September 12, 2007, their name, professional affiliation, date of birth, citizenship, and a valid government-issued ID number (i.e., U.S. government ID, U.S. military ID, passport, or drivers license (and state)) by e-mailing: [iapr@state.gov](mailto:iapr@state.gov). Due to limited space, please remember that only one person per company may register.

If you have any questions, please contact Andrea Specht at [spechtam@state.gov](mailto:spechtam@state.gov) or on (703) 516-1544.

Dated: August 16, 2007.

**Charles E. Williams,**  
*Director and Chief Operating Officer,*  
*Overseas Buildings Operations, Department*  
*of State.*

[FR Doc. E7-16834 Filed 8-23-07; 8:45 am]  
BILLING CODE 4710-24-P

**DEPARTMENT OF TRANSPORTATION****Federal Aviation Administration****Notice of FAA Approval of the Noise Compatibility Program at Great Falls International Airport, Great Falls, MT**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** Notice of FAA Approval of Noise Compatibility Program 14 CFR Part 150, Great Falls International Airport, Great Falls, Montana.

**SUMMARY:** The Federal Aviation Administration (FAA) announces its findings on the noise compatibility program submitted by the Great Falls International Airport under the provisions of 49 U.S.C. (the Aviation Safety and Noise Abatement Act, hereinafter referred to as "the Act") and 14 CFT Part 150. These findings are made in recognition of the description of Federal and nonfederal responsibilities in Senate Report No.

96-52 (1980). On February 13, 2007, the FAA determined that the noise exposure maps submitted by the Great Falls International Airport under Part 150 were in compliance with applicable requirements. On August 8, 2007, the FAA approved the Great Falls International Airport noise compatibility program. All of the recommendations of the program, approved by the Airport, were approved in whole or in part by FAA.

**EFFECTIVE DATE:** The effective date of the FAA's approval of the Great Falls International Airport noise compatibility program is August 8, 2007.

**FOR FURTHER INFORMATION CONTACT:** Gary Gates, Federal Aviation Administration, Helena Airports District Office, 2725 Skyway Drive, Suite 2, Helena, MT, telephone 406-449-5271, e-mail [gary.gates@faa.gov](mailto:gary.gates@faa.gov). Documents reflecting this FAA action may be reviewed at this same location.

**SUPPLEMENTARY INFORMATION:** This notice announces that the FAA has given its overall approval to the noise compatibility program for Great Falls International Airport, effective August 8, 2007.

Under section 47504 of the Act, an airport operator who has previously submitted a noise exposure map may submit to the FAA a noise compatibility program which sets forth the measures taken or proposed by the airport operator for the reduction of existing non-compatible land uses and prevention of additional non-compatible land uses within the area covered by the noise exposure maps. The Act requires such programs to be developed in consultation with interested and affected parties including local communities, government agencies, airport users, and FAA personnel.

Each airport noise compatibility program developed in accordance with Federal Aviation Regulations (FAR) Part 150 is a local program, not a Federal program. The FAA does not substitute its judgement for that of the airport proprietor with respect to which measures should be recommended for action. The FAA's approval or disapproval of FAR Part 150 program recommendations is measured according to the standards expressed in Part 150 and the Act and is limited to the following determinations:

a. The noise compatibility program was developed in accordance with the provisions and procedures of FAR Part 150;

b. Program measures are reasonably consistent with achieving the goals of reducing existing non-compatible land

<sup>6</sup> 17 CFR 200.30-3(a)(12).