

delisting criteria for the Notes should help to maintain a minimum level of liquidity and therefore minimize the potential for manipulation of the Notes. The Exchange represents that it would file a proposed rule change, pursuant to Rule 19b-4,<sup>46</sup> (which must be approved for continued trading of the Notes) if the Index Sponsor materially changes the composition of the GSCI®, the Index, the methodology of calculating the value of the GSCI® or the Index, or any other policies relevant to the Index. Finally, the Commission notes that the Information Memorandum that the Exchange will distribute will inform members and member organizations about the terms, characteristics and risks in trading the Notes, including their prospectus delivery obligations.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-NYSE-2006-19), as amended, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>47</sup>

**J. Lynn Taylor,**

*Assistant Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54190; File No. SR-Phlx-2006-30]

#### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Amendment No. 1 Thereto Relating To Reducing Staffing Requirements for Options Specialist Units

July 21, 2006.

On May 4, 2006, 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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Phlx Rule 501(d) to reduce the mandatory staffing requirement to be approved as an options or foreign currency options specialist unit and to retain such status, while continuing to enable the Exchange's Options

Allocation, Evaluation and Securities Committee ("Options Allocation Committee") to require a unit to obtain additional staffing. On June 6, 2006, Phlx filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The proposed rule change, as amended, was published for comment in the **Federal Register** on June 20, 2006.<sup>4</sup> The Commission received no comments regarding the proposal, as amended. This order approves the proposed rule change, as amended.

Currently, Phlx Rule 501(d) requires that to be approved as an options or foreign currency options specialist unit and retain such status, the specialist unit must have at each quarter turrel or trading post one head specialist, two assistant specialists (at least one of whom must be associated with the specialist unit), and one specialist clerk.<sup>5</sup> However, as the Exchange and member organizations continue to enhance options trading technology and options orders are now automatically executed on the Exchange over 90% of the time, the Exchange believes that the need to maintain the present required staffing levels for every specialist unit is significantly reduced. The Exchange believes that, in light of such technological advances, and in conjunction with requests from specialist units for greater staffing flexibility, requiring only one assistant specialist and eliminating the requirement for a specialist clerk is warranted.<sup>6</sup> Furthermore, the Phlx believes that the number of foreign currency option orders executed on the Exchange does not warrant the continued level of staffing.<sup>7</sup>

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.<sup>8</sup> In particular, the

<sup>3</sup> In Amendment No. 1, the Exchange clarified the rationale for reducing staffing for foreign currency options and made non-substantive changes to the proposed rule change.

<sup>4</sup> See Securities Exchange Act Release No. 53979 (June 14, 2006), 71 FR 35475 (the "Notice").

<sup>5</sup> The Exchange is also proposing to make non-substantive changes to Phlx Rule 501(d) such as deletion of obsolete references to quarter turrets, which are no longer used on the floor.

<sup>6</sup> The changes proposed in Phlx Rule 501(d) herein are not intended to alter other specialist unit obligations established by Phlx rules.

<sup>7</sup> In the Notice, the Exchange represented that in 2005, the number of foreign currency options orders executed on the Exchange was less than one percent of the overall number of option orders executed on the Exchange.

<sup>8</sup> In approving this proposed rule change, as amended, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission believes that the proposal, as amended, is consistent with Section 6(b)(5) of the Act, which requires that the rules of an exchange be designed to promote just and equitable principles of trade, and to protect investors and the public interest. Specifically, the proposed rule change, as amended, should provide flexibility in options and foreign currency options specialist unit staffing by reducing the mandatory staffing requirement. At the same time, Phlx Rule 501(d) will continue to provide the Options Allocation Committee with the ability to require a specialist unit to obtain additional staffing depending upon the number of assigned options classes and associated order flow.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the proposed rule change (SR-Phlx-2006-30), as amended, is hereby approved.

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

**Jill M. Peterson,**

*Assistant Secretary.*

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#### DEPARTMENT OF STATE

[Public Notice 5476]

#### Bureau of Educational and Cultural Affairs (ECA) Request for Grant Proposals: Serbia Youth Leadership Program

*Announcement Type:* New Grant.

*Funding Opportunity Number:* ECA/PE/C/PY-07-04.

Catalog of Federal Domestic Assistance  
Number: 00.000

*Application Deadline:* September 21, 2006.

*Executive Summary:* The Office of Citizen Exchanges, Youth Programs Division, of the Bureau of Educational and Cultural Affairs (ECA) announces an open competition for the Serbia Youth Leadership Program. Public and private non-profit organizations meeting the provisions described in Internal Revenue Code section 26 U.S.C. 501(c)(3) may submit proposals to recruit and select youth and adult participants in Serbia and to provide the participants with U.S.-based exchange projects focused on civic education and leadership.

<sup>9</sup> 15 U.S.C. 78s(b)(2).

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

<sup>46</sup> 17 CFR 240.19b-4.

<sup>47</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.