This document is scheduled to be published in the
Federal Register on 03/01/2012 and available online at
http://federalregister.gov/a/2012-04910, and on **FDsys.gov**

8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66451; File No. SR-Phlx-2012-19)

February 23, 2012

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Routing Fees

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 10, 2012, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") 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 the Exchange. 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 Exchange proposes to amend its Customer and Professional Routing Fees to recoup costs incurred by the Exchange in routing to away markets.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

The text of the proposed rule change is available on the Exchange's Website at http://nasdaqtrader.com/micro.aspx?id=PHLXfilings, at the principal office of the Exchange, and at the Commission's Public Reference Room.

---

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this filing is to recoup costs that the Exchange incurs for routing and executing Customer and Professional orders in equity and index options. The Exchange's Fee Schedule includes Routing Fees for routing Customer and Professional orders to away markets. The Exchange currently assesses the following Routing Fees:

Exchange	Customer	Professional
NYSE AMEX	$0.06	$0.26
BATS	$0.50	$0.50
BOX	$0.06	$0.06
CBOE	$0.06	$0.26
CBOE orders greater than 99 contracts in RUT, RMN, NDX, MNX, ETFs, ETNs and HOLDRs	$0.24	$0.26
C2	$0.50	$0.51
ISE	$0.06	$0.24
ISE Select Symbols*	$0.18	$0.34
NYSE ARCA (Penny Pilot)	$0.50	$0.50

NYSE ARCA (Standard)	$0.06	$0.06
NOM	$0.49	$0.49
NOM (NDX and MNX)	$0.56	$0.56

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

The Exchange proposes to amend its Routing Fees as follows:

Exchange	Customer	Professional
NYSE AMEX	$0.11	$0.31
BATS	$0.55	$0.55
BOX	$0.11	$0.11
CBOE	$0.11	$0.31
CBOE orders greater than 99 contracts in RUT, RMN, NDX, MNX, ETFs, ETNs and HOLDRs	$0.29	$0.31
C2	$0.55	$0.56
ISE	$0.11	$0.29
ISE Select Symbols*	$0.23	$0.39
NYSE ARCA (Penny Pilot)	$0.55	$0.55
NYSE ARCA (Standard)	$0.11	$0.11
NOM	$0.54	$0.54
NOM (NDX and MNX)	$0.56	$0.56

* These fees are applicable to orders routed to ISE that are subject to Rebates and Fees for Adding and Removing Liquidity in Select Symbols. See ISE's Schedule of Fees for the complete list of symbols that are subject to these fees.

In May 2009, the Exchange adopted Rule 1080(m)(iii)(A) to establish Nasdaq Options Services LLC ("NOS"), a member of the Exchange, as the Exchange's exclusive order router.[3] NOS is utilized by the Phlx XL II system solely to route orders in options listed and open for trading on the Phlx XL II system to destination markets. Each time NOS routes to away markets NOS is charged a $0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which fees are passed through to the Exchange. The Exchange currently recoups clearing and transaction charges incurred by the Exchange when Customer and Professional orders are routed to an away market. At this time, the Exchange is proposing to recoup certain other costs incurred by the Exchange when routing to away markets, such as administrative and technical costs associated with operating NOS, the Exchange's exclusive order router; the Exchange's membership fees at away markets; and technical costs associated with routing. The Exchange is proposing to increase all Customer and Professional Routing Fees with the exception of routing orders in MNX[4] and NDX[5] to the NASDAQ Options Market ("NOM"). The Exchange does not believe it is necessary to increase those fees at this time.

As with all fees, the Exchange may adjust these Routing Fees in response to competitive conditions by filing a new proposed rule change. While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on March 1, 2012.

---

3 See Securities Exchange Act Release No. 59995 (May 28, 2009), 74 FR 26750 (June 3, 2009) (SR-Phlx-2009-32).

4 MNX represents options on the one-tenth value of the Nasdaq 100 Index traded under the symbol "MNX."

5 NDX represents options on the Nasdaq 100 Index traded under the symbol NDX ("NDX").

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[6] in general, and furthers the objectives of Section 6(b)(4) of the Act[7] in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes that the proposed Routing Fees are reasonable because the fees would allow the Exchange to recoup costs associated with routing both Customer and Professional orders to away markets. The Exchange believes that these fees will assist it in recouping costs the Exchange incurs by utilizing NOS, in maintaining membership fees at away markets and technical expenses associated with the routing process. The proposed fees also continue to recoup transaction fees assessed by the respective away market, which vary, and standard clearing charges for each transaction, which fees are incurred by the Exchange when routing to away markets.

The Exchange also believes that the proposed Routing Fees are equitable and not unfairly discriminatory because the fees would be uniformly applied to all Customers and Professionals. The Exchange's proposed fees are calculated to distribute the costs associated with routing among the various away markets. The Exchange determined not to amend the Customer and Professional Routing Fees when routing orders in MNX and NDX to NOM at this time because the Exchange determined that in light of other fees, the current fees for routing to NOM in MNX and NDX are currently within the range of fees that are proposed for other away markets. The Exchange does not believe that it is necessary at this time to assess additional fees to route to

---

[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(4).

NOM in MNX and NDX above the current $.56 per contract fee assessed for Customer and Professional orders today.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition 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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[8] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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

[8] 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-Phlx-2012-19 on the subject line.

Paper comments:

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

All submissions should refer to File No. SR-Phlx-2012-19. 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 website (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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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 No. SR-Phlx-2012-19 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Kevin M. O'Neill
Deputy Secretary

[FR Doc. 2012-4910 Filed 02/29/2012 at 8:45 am; Publication Date: 03/01/2012]

[9] 17 CFR 200.30-3(a)(12).