

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 25	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2014 - * 83	Amendment No. (req. for Amendments *)
Filing by NASDAQ OMX PHLX LLC. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934				
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>	
			Rule	
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>		Section 806(e)(2) * <input type="checkbox"/>		Section 3C(b)(2) * <input type="checkbox"/>
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description				
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).				
<input type="text" value="A proposal to modify Section VII entitled Other Member Fees of the Phlx Pricing Schedule."/>				
Contact Information				
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.				
First Name * <input type="text" value="Jurij"/>		Last Name * <input type="text" value="Trypupenko"/>		
Title * <input type="text" value="Associate General Counsel"/>				
E-mail * <input type="text" value="jurij.trypupenko@nasdaq.com"/>				
Telephone * <input type="text" value="(301) 978-8132"/>		Fax <input type="text" value="(301) 978-8472"/>		
Signature				
Pursuant to the requirements of the Securities Exchange Act of 1934,				
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.				
(Title *)				
Date	<input type="text" value="12/24/2014"/>	<input type="text" value="Executive Vice President and General Counsel"/>		
By	<input type="text" value="Edward S. Knight"/>	<input type="text" value="edward.knight@nasdaq.com"/>		
(Name *)				
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.				

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to modify Section VII entitled “Other Member Fees” of the Phlx Pricing Schedule (“Pricing Schedule”). Specifically, the Exchange proposes to amend the Port Fees in Section VII of the Pricing Schedule in order to increase the Order Entry Port Fee, establish a CTI Port Fee, and delete the Real-Time Risk Management Fee.

While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on January 2, 2015.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of applicable portion of the Exchange’s Pricing Schedule is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on July 16, 2014. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Questions and comments on the proposed rule change may be directed to Jurij Trypupenko, Associate General Counsel, The NASDAQ OMX Group, at (301) 978-8132.

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

a. Purpose

The purpose of this filing is to amend the Port Fees in Section VII of the Pricing Schedule in order to increase the Order Entry Port Fee, establish a CTI Port Fee, and remove the Real-Time Risk Management Fee.³

Today, all Port Fees on the Exchange are located in subsection B of Section VII of the Pricing Schedule. These Port Fees include Order Entry Port Fees, Real-time Risk Management Fees, and Active SQF Port Fees, which are not amended by this proposal. Each of the amended fees is discussed below.

Order Entry Port Fee

The Order Entry Port Fee is a connectivity fee related to routing orders to the Exchange via an external order entry port. Phlx members access the Exchange's network through order entry ports. A Phlx member may have more than one order entry port. Today, the Exchange assesses members an Order Entry Port Fee of \$550 per month, per mnemonic.⁴ The current practice will continue whereby the Order Entry Port Fee will be

³ The Real-Time Risk Management Fee was adopted well over a decade ago for members receiving option trading information on-line (i.e., electronically) from the Exchange. See Securities Exchange Act Release No. 43719 (December 13, 2000), 65 FR 80975 (December 22, 2000) (SR-Phlx-00-97) (notice of filing and immediate effectiveness). This fee is, as discussed, being deleted as the CTI Port Fee, which is also used on other exchanges, is added.

⁴ Mnemonics are codes that identify member organization order entry ports.

waived for mnemonics that are used exclusively for Complex Orders⁵ where one of the components of the Complex Order is the underlying security. Member organizations will continue not being assessed an Order Entry Port Fee for additional ports acquired for only ten business days for the purpose of transitioning technology.⁶

The Exchange proposes to increase the Order Entry Port Fee of \$550 per month, per mnemonic to \$600 per month, per mnemonic, as described below. This is exactly the same as a rule change filed by NASDAQ Options Market (“NOM”) proposing to assess \$600 for Order Entry Port Fees as of January 2, 2015.⁷

Real-Time Risk Management Fee

The Exchange is eliminating the Real-time Risk Management Fee from subsection B of Section VII of the Pricing Schedule, entitled “Port Fees.” The proposal to delete the Real-Time Risk Management Fee results in a price reduction to member organizations and members (clearing firms,⁸ Specialists⁹, and Market Makers¹⁰), which market participants are assessed the Real-Time Risk Management Fees.

⁵ A Complex Order is any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, priced at a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. Furthermore, a Complex Order can also be a stock-option order, which is an order to buy or sell a stated number of units of an underlying stock or exchange-traded fund (“ETF”) coupled with the purchase or sale of options contract(s). See Exchange Rule 1080, Commentary .08(a)(i).

⁶ Similarly, member organizations will continue to be required to provide the Exchange with written notification of the transition and all additional ports which were provided at no cost will be removed at the end of the ten business days.

⁷ See Securities Exchange Act Release No. 73843 (December 16, 2014) (SR-NASDAQ-2014-122) (not yet published).

⁸ A “clearing firm” is a member organization that meets the requirements of Rule 165(c).

The Real-time Risk Management Fee was established more than a decade ago to assess a fee to members and member organizations that receive electronic option trading information on-line from the Exchange. The purpose of the fee was to provide members and member organizations (e.g. clearing firms, Specialists, and Market Makers) with option trade information, electronically, on a real-time basis. Members and member organizations were able to log on to an interface through AUTOM¹¹ to receive options (among other information) transaction information real-time. The Exchange limited the assessment of the Real-Time Risk Management Fee to two ports, a Specialized Quote Feed (“SQF”)¹² Port and a CTI Port. As the Exchange has previously noted,¹³ it was always the intent of the Exchange to limit the Real-Time Risk Management Fee to the SQF and CTI ports, and this has been the practice of the Exchange. The Exchange is eliminating the Real-Time Risk Management Fee and will instead only assess port fees.

⁹ A “Specialist” is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

¹⁰ A “Market Maker” includes Registered Options Traders (Rule 1014(b)(i) and (ii)), which includes Streaming Quote Traders (Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders (Rule 1014(b)(ii)(B)).

¹¹ AUTOM, now known as Phlx XL, is the Exchange’s electronic order, execution, and trade system.

¹² SQF is an interface that allows specialists, streaming quote traders and remote streaming quote traders to connect and send quotes into Phlx XL. SQF 6.0 allows participants to access information in a single feed available to all participants, rather than through accessing multiple feeds. The information available includes execution reports and other relevant data. Non quoting firms may also receive relevant information available over SQF by connecting to the SQF interface, but they may not send quotes.

¹³ See Securities Exchange Act Release No. 66208 (January 20, 2012), 77 FR 4077 (January 26, 2012) (SR-Phlx-2012-06) (notice of filing and immediate effectiveness).

CTI Port Fee

The Exchange now proposes to establish a CTI Port Fee that is \$600 per port, per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter. The Exchange proposes to charge a smaller amount for the subsequent ports in order to continue to encourage use of ports on the Exchange.

CTI offers real-time clearing trade updates. A real-time clearing trade update is a message that is sent to a member after an execution has occurred and contains trade details. The message containing the trade details is also simultaneously sent to The Options Clearing Corporation. The trade messages are routed to a member's connection containing certain information. The administrative and market event messages include, but are not limited to: system event messages to communicate operational-related events; options directory messages to relay basic option symbol and contract information for options traded on the Exchange; complex strategy messages to relay information for those strategies traded on the Exchange; trading action messages to inform market participants when a specific option or strategy is halted or released for trading on the Exchange; and an indicator which distinguishes electronic and non-electronically delivered orders. This information will be available to members on a real-time basis.

The Exchange notes that the CTI Port Fee is currently available on NOM at \$550 per port, per month.¹⁴ NOM assesses port fees for similar ports, namely the Order Entry and CTI Ports. The Exchange desires to continue assessing Order Entry Fees, and to

¹⁴ See, e.g., Securities Exchange Act Release No. 68502 (December 20, 2012), 77 FR 76572 (December 28, 2012) (SR-NASDAQ-2012-139) (notice of filing and immediate effectiveness). NOM does not, however, tier its CTI Port Fees, as proposed herein. This port fee will increase to \$600 as of January 2, 2015.

access CTI Post Fees on Phlx in order to recoup costs associated with these ports while encouraging members to participate in the market.

By increasing the Order Entry Port Fee and establishing a new CTI Port Fee,¹⁵ the Exchange will only assess port fees¹⁶ and no longer assess other types of fees, such as the Real-Time Risk Management Fees. This proposal reflects a modest price increase to members and member organizations while allowing the Exchange to recoup a certain portion of costs associated with ports, namely the Order Entry Port and CTI Port.¹⁷

b. Statutory Basis

The Exchange believes that its proposal to amend the Pricing Schedule is consistent with Section 6(b) of the Act¹⁸ in general, and furthers the objectives of Section 6(b)(4) and (b)(5) of the Act¹⁹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons

¹⁵ Today, members utilize CTI Ports at no cost.

¹⁶ The Pricing Schedule also notes an Active SQF Port Fee, which fee remains unchanged by this proposal. SQF is an interface that enables specialists, Streaming Quote Traders (“SQTs”) and Remote Streaming Quote Traders (“RSQTs”) to connect and send quotes into Phlx XL, the options trading system. Active SQF ports are ports that receive inbound quotes at any time within that month. SQTs and RSQTs are defined in Rule 1014(b)(ii)(A) and Rule 1014(b)(ii)(B), respectively.

¹⁷ The Exchange does not, by this proposal, expect to fully offset the Real-Time Risk Management Fee. Rather, the goal of the Exchange is to eliminate the Real-Time Risk Management Fee and assess only port fees. Members and member organizations will be able to continue to obtain real-time information via CTI and SQF as discussed herein.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(4), (5).

using any facility or system which Phlx operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that eliminating the Real-Time Risk Management Fee and proposing a new CTI Port Fee on the Exchange²⁰ at \$600 per port per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter, is reasonable because it would allow the Exchange to recoup costs associated with offering the CTI ports. The proposal to delete the Real-Time Risk Management Fee results in a price reduction to member organizations and members (clearing firms, Specialists, and Market Makers), which market participants are assessed the Real-Time Risk Management Fee. By increasing the Order Entry Port Fee and establishing new CTI Port Fee, the Exchange will only assess port fees and no longer assess other types of fees, such as the Real-Time Risk Management Fee. This proposal reflects a modest price increase to members and member organizations while allowing the Exchange to recoup a certain portion of costs associated with ports, namely the Order Entry Port and CTI Port. The Exchange does not, by this proposal, expect to fully offset the Real-Time Risk Management Fee. Rather, the goal of the Exchange is to eliminate the Real-Time Risk Management Fee and apply only port fees. Members and member organizations will be able to obtain real-time information via CTI and SQF as discussed.

As with other port fees in subsection B of Section VII of the Pricing Schedule, the CTI Port Fees reflect a portion of the costs that the Exchange bears with respect to offering and maintaining the CTI ports. The CTI Port Fees are reasonable because they enable the Exchange to offset, in part, its connectivity costs associated with making such

²⁰ The Exchange has determined that the Real-Time Risk Fee is no longer necessary in light of the new CTI Port Fee and the increased Order Entry Port Fee.

ports available, including costs based on gateway software and hardware enhancements and resources dedicated to gateway development, quality assurance, and support.

Charging less for additional fees is reasonable to continue to recoup costs while encouraging members to connect to the Exchange.

The Exchange believes that assessing CTI Port Fees for the CTI ports at \$600 per port per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter, is equitable and not unfairly discriminatory because the Exchange will assess the same fees for all CTI ports to all members.

The Exchange believes that continuing the Order Entry Port Fee at \$600 per month, per mnemonic on the Exchange is reasonable because it will allow the Exchange to continue to recoup fees associated with offering the Order Entry Port. As with other port fees in subsection B of Section VII of the Pricing Schedule, including the CTI Port Fee, the Order Entry Port Fee reflects a portion of the costs that the Exchange bears with respect to offering and maintaining the Order Entry Ports. The Order Entry Port Fees are reasonable because they enable the Exchange to offset, in part, its connectivity costs associated with making such ports available, including costs based on gateway software and hardware enhancements and resources dedicated to gateway development, quality assurance, and support.

The Exchange believes that Order Entry Fees for the Order Entry Ports at \$600 per month, per mnemonic is equitable and not unfairly discriminatory because the Exchange will assess the same fees for all Order Entry Ports to all members.

4. 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. The Exchange believes the proposed Order Entry Fees and CTI Port Fees are fair and equitable, and therefore, will not unduly burden any particular group of market participants trading on the Exchange. The Exchange's proposal to adopt CTI Port and continue Order Entry Fees would be applied in a uniform manner to all Exchange members. The proposed fees are designed to ensure a fair and reasonable use of Exchange resources by allowing the Exchange to recoup a certain portion of connectivity costs, while continuing to offer connectivity at competitive rates to Exchange members.

The Exchange will not assess the Real-Time Risk Management Fee with respect to any member.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,²¹ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

²¹ 15 U.S.C. 78s(b)(3)(A)(ii).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Applicable portion of the Exchange's Pricing Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2014-83)

December ____, 2014

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Port 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 December 24, 2014, 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 modify Section VII entitled “Other Member Fees” of the Phlx Pricing Schedule (“Pricing Schedule”). Specifically, the Exchange proposes to amend the Port Fees in Section VII of the Pricing Schedule in order to increase the Order Entry Port Fee, establish a CTI Port Fee, and delete the Real-Time Risk Management Fee.

While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on January 2, 2015.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaqomxphlx.cchwallstreet.com/>, at the principal office 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 this filing is to amend the Port Fees in Section VII of the Pricing Schedule in order to increase the Order Entry Port Fee, establish a CTI Port Fee, and remove the Real-Time Risk Management Fee.³

Today, all Port Fees on the Exchange are located in subsection B of Section VII of the Pricing Schedule. These Port Fees include Order Entry Port Fees, Real-time Risk Management Fees, and Active SQF Port Fees, which are not amended by this proposal. Each of the amended fees is discussed below.

³ The Real-Time Risk Management Fee was adopted well over a decade ago for members receiving option trading information on-line (i.e., electronically) from the Exchange. See Securities Exchange Act Release No. 43719 (December 13, 2000), 65 FR 80975 (December 22, 2000) (SR-Phlx-00-97) (notice of filing and immediate effectiveness). This fee is, as discussed, being deleted as the CTI Port Fee, which is also used on other exchanges, is added.

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The Exchange proposes to increase the Order Entry Port Fee of \$550 per month, per mnemonic to \$600 per month, per mnemonic, as described below. This is exactly the same as a rule change filed by NASDAQ Options Market (“NOM”) proposing to assess \$600 for Order Entry Port Fees as of January 2, 2015.⁷

⁴ Mnemonics are codes that identify member organization order entry ports.

⁵ A Complex Order is any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, priced at a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. Furthermore, a Complex Order can also be a stock-option order, which is an order to buy or sell a stated number of units of an underlying stock or exchange-traded fund (“ETF”) coupled with the purchase or sale of options contract(s). See Exchange Rule 1080, Commentary .08(a)(i).

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Real-Time Risk Management Fee

The Exchange is eliminating the Real-time Risk Management Fee from subsection B of Section VII of the Pricing Schedule, entitled “Port Fees.” The proposal to delete the Real-Time Risk Management Fee results in a price reduction to member organizations and members (clearing firms,⁸ Specialists⁹, and Market Makers¹⁰), which market participants are assessed the Real-Time Risk Management Fees.

The Real-time Risk Management Fee was established more than a decade ago to assess a fee to members and member organizations that receive electronic option trading information on-line from the Exchange. The purpose of the fee was to provide members and member organizations (e.g. clearing firms, Specialists, and Market Makers) with option trade information, electronically, on a real-time basis. Members and member organizations were able to log on to an interface through AUTOM¹¹ to receive options (among other information) transaction information real-time. The Exchange limited the assessment of the Real-Time Risk Management Fee to two ports, a Specialized Quote Feed (“SQF”)¹² Port and a CTI Port. As the Exchange has previously noted,¹³ it was

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By increasing the Order Entry Port Fee and establishing a new CTI Port Fee,¹⁵ the Exchange will only assess port fees¹⁶ and no longer assess other types of fees, such as the Real-Time Risk Management Fees. This proposal reflects a modest price increase to members and member organizations while allowing the Exchange to recoup a certain portion of costs associated with ports, namely the Order Entry Port and CTI Port.¹⁷

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¹⁵ Today, members utilize CTI Ports at no cost.

¹⁶ The Pricing Schedule also notes an Active SQF Port Fee, which fee remains unchanged by this proposal. SQF is an interface that enables specialists, Streaming Quote Traders (“SQTs”) and Remote Streaming Quote Traders (“RSQTs”) to connect and send quotes into Phlx XL, the options trading system. Active SQF ports are ports that receive inbound quotes at any time within that month. SQTs and RSQTs are defined in Rule 1014(b)(ii)(A) and Rule 1014(b)(ii)(B), respectively.

¹⁷ The Exchange does not, by this proposal, expect to fully offset the Real-Time Risk Management Fee. Rather, the goal of the Exchange is to eliminate the Real-Time Risk Management Fee and assess only port fees. Members and member organizations will be able to continue to obtain real-time information via CTI and SQF as discussed herein.

2. Statutory Basis

The Exchange believes that its proposal to amend the Pricing Schedule is consistent with Section 6(b) of the Act¹⁸ in general, and furthers the objectives of Section 6(b)(4) and (b)(5) of the Act¹⁹ 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 Phlx operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that eliminating the Real-Time Risk Management Fee and proposing a new CTI Port Fee on the Exchange²⁰ at \$600 per port per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter, is reasonable because it would allow the Exchange to recoup costs associated with offering the CTI ports. The proposal to delete the Real-Time Risk Management Fee results in a price reduction to member organizations and members (clearing firms, Specialists, and Market Makers), which market participants are assessed the Real-Time Risk Management Fee. By increasing the Order Entry Port Fee and establishing new CTI Port Fee, the Exchange will only assess port fees and no longer assess other types of fees, such as the Real-Time Risk Management Fee. This proposal reflects a modest price increase to members and member organizations while allowing the Exchange to recoup a certain portion of costs associated with ports, namely the Order Entry Port and CTI Port. The Exchange does not, by this proposal, expect to fully offset the Real-Time Risk Management Fee. Rather, the

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(4), (5).

²⁰ The Exchange has determined that the Real-Time Risk Fee is no longer necessary in light of the new CTI Port Fee and the increased Order Entry Port Fee.

goal of the Exchange is to eliminate the Real-Time Risk Management Fee and apply only port fees. Members and member organizations will be able to obtain real-time information via CTI and SQF as discussed.

As with other port fees in subsection B of Section VII of the Pricing Schedule, the CTI Port Fees reflect a portion of the costs that the Exchange bears with respect to offering and maintaining the CTI ports. The CTI Port Fees are reasonable because they enable the Exchange to offset, in part, its connectivity costs associated with making such ports available, including costs based on gateway software and hardware enhancements and resources dedicated to gateway development, quality assurance, and support. Charging less for additional fees is reasonable to continue to recoup costs while encouraging members to connect to the Exchange.

The Exchange believes that assessing CTI Port Fees for the CTI ports at \$600 per port per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter, is equitable and not unfairly discriminatory because the Exchange will assess the same fees for all CTI ports to all members.

The Exchange believes that continuing the Order Entry Port Fee at \$600 per month, per mnemonic on the Exchange is reasonable because it will allow the Exchange to continue to recoup fees associated with offering the Order Entry Port. As with other port fees in subsection B of Section VII of the Pricing Schedule, including the CTI Port Fee, the Order Entry Port Fee reflects a portion of the costs that the Exchange bears with respect to offering and maintaining the Order Entry Ports. The Order Entry Port Fees are reasonable because they enable the Exchange to offset, in part, its connectivity costs associated with making such ports available, including costs based on gateway software

and hardware enhancements and resources dedicated to gateway development, quality assurance, and support.

The Exchange believes that Order Entry Fees for the Order Entry Ports at \$600 per month, per mnemonic is equitable and not unfairly discriminatory because the Exchange will assess the same fees for all Order Entry Ports to all members.

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. The Exchange believes the proposed Order Entry Fees and CTI Port Fees are fair and equitable, and therefore, will not unduly burden any particular group of market participants trading on the Exchange. The Exchange's proposal to adopt CTI Port and continue Order Entry Fees would be applied in a uniform manner to all Exchange members. The proposed fees are designed to ensure a fair and reasonable use of Exchange resources by allowing the Exchange to recoup a certain portion of connectivity costs, while continuing to offer connectivity at competitive rates to Exchange members.

The Exchange will not assess the Real-Time Risk Management Fee with respect to any member.

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.²¹ 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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2014-83 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2014-83. This file number should be included on the subject line if e-mail is used. To help the Commission process

²¹ 15 U.S.C. 78s(b)(3)(A)(ii).

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 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 the 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 Number SR-Phlx-2014-83 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.²²

Kevin M. O'Neill
Deputy Secretary

²² 17 CFR 200.30-3(a)(12).

²⁵The Order Entry Port Fee will be waived for mnemonics that are used exclusively for complex orders where one of the components of the complex order is the underlying security.

Member organizations will not be assessed an Order Entry Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

Active SQF Port Fee ²⁶

Specialists and Market Makers that are subject to the Active SQF Port Fee as of December 1, 2014 will be subject to an Active SQF Port Fee that reflects the average of fees assessed to them for the months of August, September and October 2014 ("Fixed Active SQF Port Fee"). This Fixed Active SQF Port Fee will be assessed to these Specialists and Market Makers from December 1, 2014 through March 31, 2015. Specialists and Market Makers will not be assessed a fee for their use of the new version of the Active SQF Port through March 31, 2015.

All Specialists and Market Makers are subject to the following Active SQF Port Fees as of April 1, 2015:

Number of Active SQF Port	Monthly Fee Per Port
1	\$2,500
2 - 6	\$4,000
7 and over	\$15,000

A Specialist or Market Maker who was not subject to Fixed Active SQF Port Fees prior to December 1, 2014 will be provided new ports and assessed the above Active SQF Port Fees as of December 1, 2014.

²⁶Active SQF Port Fees will be capped at \$41,000 per month through March 31, 2015 and thereafter at \$42,000 per month.

- Active SQF ports refer to ports that receive inbound quotes at any time within that month.

Member organizations will not be assessed an Active SQF Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

[Real-time Risk Management]CTI Port Fee [\$.003 per contract for members and member organizations receiving information on a real-time basis up to a maximum of two ports, which may be either an SQF Port or a CTI Port]\$600 per port per month for each of the first 5 CTI ports, and \$100 per port for each port thereafter.

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