

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55462; File No. SR-NYSE-2007-18)

March 13, 2007

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Linkage Order Fee

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, 2007, the New York Stock Exchange LLC (“NYSE”) 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 substantially by NYSE. NYSE submitted the proposed rule change under Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission.⁵ 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 the fee (the “Linkage Order Fee”) it charges its member organizations in connection with orders in equities executed in another market pursuant to the “Plan for the Purpose of Creating and Operating an Intermarket Communications Linkage” (the “Linkage Plan”).⁶ As of March 5, 2007, the Linkage Order Fee for transactions routed to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ NYSE stipulated the implementation date to be March 5, 2007.

⁶ The Linkage Plan was filed with the Commission pursuant to Rule 608 of Regulation NMS under the Act. The purpose of the Linkage Plan is to enable the Plan Participants to act jointly in planning, developing, operating and regulating the NMS Linkage System

any other market will be \$0.0025 per share. The Linkage Order Fee will not apply to transactions where a broker on the Exchange trading floor placed the related order.

The text of the proposed rule change is available on the NYSE's Web site at <http://www.nyse.com>, at NYSE 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, NYSE 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. NYSE 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 Exchange's Linkage Order fee is currently fixed at \$0.000275 per share. As of March 5, 2007, the Linkage Order Fee for transactions routed to any other market will be \$0.0025 per share. The Linkage Order Fee is the only transaction fee the Exchange charges its customers on transactions routed to other markets. These transactions are not subject to the Exchange's regular equity transaction fees. The Linkage Order Fee will not apply to transactions where a broker on the Exchange trading floor placed the related order. Instead, if routed to another market, such transactions will be billed at the Exchange's regular equity transaction fee

electronically linking the Plan Participant Markets to one another, as described in the Linkage Plan. Following approval by the Commission, the Plan became operative on October 1, 2006. The Plan terminates on June 30, 2007; however, Participants that wish to extend the term could agree to do so, subject to Commission approval. See Securities Exchange Act Release No. 54551 (Sept. 29, 2006), 71 FR 59148 (Oct. 6, 2006) (approving the Linkage Plan).

rate. At the time of the Linkage Order Fee's adoption,⁷ the Exchange stated that the Linkage Order Fee was intended to permit the Exchange to recover fees billed to Archipelago Securities LLC ("Archipelago Securities"), as the NYSE's Sponsoring Member, by other markets for orders executed pursuant to the Linkage Plan. The current Linkage Order Fee is set at the level of the NYSE's own equity transaction fee. However, as the Exchange is charged much higher fees than the current Linkage Order Fee in connection with most transactions routed to other markets, the current Linkage Order Fee is enabling the Exchange to recoup only a fraction of its routing costs.⁸ The revised Linkage Order Fee is more closely related to the actual transaction fees charged to Archipelago Securities by such other markets and will enable the Exchange to recoup most of the transaction fees for which it is responsible in relation to transactions it routes to other markets through the Linkage.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,⁹ in general, and Section 6(b)(4) of the Act,¹⁰ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among the Exchange's members and other persons using its facilities. The fee is intended to permit the Exchange to recover fees billed to Archipelago Securities, as a Sponsoring Member, by other markets for orders executed pursuant to the Linkage Plan.

⁷ See Securities Exchange Act Release No. 54727 (November 8, 2006); 71 FR 66820 (November 16, 2006) (SR-NYSE-2006-79).

⁸ Archipelago Securities is billed by the destination markets for orders entered on the Exchange by entering firms but routed to other markets for execution. The Exchange assumed responsibility for fees paid by Archipelago Securities to Participant markets in its capacity as the Exchange's Sponsoring Member. See id.

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(4).

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

NYSE does not believe that the proposed rule change will impose 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

NYSE has neither solicited nor received comments on the proposed rule change.

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 Act¹¹ and subparagraph (f)(2) of Rule 19b-4 thereunder,¹² because it establishes or changes a due, fee, or other charge imposed by the NYSE. 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, 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-NYSE-2007-18 on the subject line.

¹¹ 15 U.S.C. 78s(b)(3)(a)(ii).

¹² 17 CFR 240.19b-4(f)(2).

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-NYSE-2007-18. 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 such filing also will be available for inspection and copying at the principal offices of NYSE. 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-NYSE-2007-18 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Florence E. Harmon
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).