

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55596; File No. SR-NYSEArca-2007-30)

April 6, 2007

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Fees for Transactions in Listed and Nasdaq Securities Priced Less Than One Dollar

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 March 22, 2007, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), 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 Exchange. NYSE Arca has filed the proposal pursuant to 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. 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 the section of its Schedule of Fees and Charges for Exchange Services (“Fee Schedule”) that applies to transactions by ETP Holders⁵ to add a pricing structure for listed and Nasdaq securities priced less than one dollar. The text of the proposed rule change is available at NYSE Arca, the Commission’s Public Reference Room, and www.nysearca.com.

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 See NYSE Arca Equities Rule 1.1(n).

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 Arca 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 Arca 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 proposes to amend the section of its Fee Schedule that applies to transactions by ETP Holders to add a separate pricing structure for listed and Nasdaq securities priced less than one dollar (\$1.00) consistent with Rule 610(c) of Regulation NMS.⁶ The Exchange intends to implement these changes to the Fee Schedule pursuant to this proposal immediately upon filing.

The Fee Schedule currently provides that ETP Holders are charged between \$0.001 per share and \$0.003 per share for round-lot transactions in NYSE-listed and Nasdaq securities that execute against orders residing on the NYSE Arca Book. ETP Holders are charged \$0.03 per share for listed securities and \$0.004 per share for Nasdaq securities for odd-lot orders that execute against orders residing on the NYSE Arca Book. Similarly, ETP Holder orders that route to any away market center or participant and are executed are charged between \$0.001 per share and \$0.03 per share, dependent upon the away market center or participant, the type of security, and whether the transaction was for a round or odd-lot.

⁶ 17 CFR 242.610(c).

The Exchange proposes to amend the Fee Schedule to (i) clarify that these fees will remain unchanged for listed and Nasdaq securities priced greater than or equal to \$1.00, and (ii) add a separate, distinct pricing structure for listed and Nasdaq securities priced less than \$1.00, pursuant to Rule 610(c) of Regulation NMS, and consistent with the recent fee announcement⁷ by The NASDAQ Stock Market LLC. Specifically, the Exchange proposes to implement a fee of 0.1% of the total dollar value for all round and odd-lot transactions of ETP Holders that execute against orders residing on the NYSE Arca Book for listed or Nasdaq securities priced less than \$1.00, and shall impose a fee of 0.3% of the total dollar value for orders of listed and Nasdaq securities priced less than \$1.00 that route and are executed with any away market center or participant. The Exchange will not provide a rebate (credit) to ETP Holders for any transactions in securities priced less than \$1.00.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁹ in particular, in that it is intended to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

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.

⁷ See Securities Exchange Act Release No. 55576 (April 3, 2007) (SR-NASDAQ-2007-026); see also NASDAQ Head Trader Alert #2007-065: NASDAQ Announces Pricing Change for Non-NASDAQ Listed Executions Under \$1 (March 21, 2007) (announcing an execution fee of 0.1%, or 10 basis points, for non-NASDAQ securities with a share price below \$1.00).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

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 Act¹⁰ and subparagraph (f)(2) of Rule 19b-4 thereunder¹¹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by the self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. 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-NYSEArca-2007-30 on the subject line.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 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-NYSEArca-2007-30. 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 the filing also will be available for inspection and copying at the principal office of NYSE Arca. 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-NYSEArca-2007-30 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.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).