

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS 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 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) NYSE Arca, Inc. (the “Exchange”), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca”), proposes to establish as a six-month pilot program market data fees for the receipt and use of market data relating to the Exchange’s best bids and offers.

(b) The Exchange does not expect this proposed rule change to have any direct effect, or significant indirect effect, on the application of any other Exchange rule.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s Board of Directors adopted these fees at its April 20, 2006, meeting. No further action is required under the Exchange’s Constitution and Articles of Incorporation.

(b) The name and telephone number of the person on the Exchange staff prepared to respond to questions and comments on the proposed new rule change is:

Janet Angstadt
Acting General Counsel
NYSE Arca, Inc.
100 South Wacker Drive
Suite 1800
Chicago, IL 60606
Phone: (312) 442-7147
Fax: (312) 960-1369

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

(a) Purpose.

(i) The Service. The Exchange proposes to permit vendors to cull best bids and offers from its ArcaBookSM product, which consists of a compilation of all limit orders resident in the NYSE Arca limit order book, and to create an NYSE Arca Best-Bid-and-Offer service for distribution to its professional and nonprofessional subscribers (a “BBO Service”).¹

¹ The Exchange notes that it makes available to vendors the best bids and offers that are included in ArcaBook data no earlier than it makes those best bids and offers available to the processors under the CQ Plan and the Reporting Plan for

(ii) Proposed Fees. Contemporaneously with this proposed rule change, the Exchange has submitted another proposed rule change that proposes to establish market data fees and a Market Data Fee Schedule for the receipt and use of certain of the Exchange's market data services, including ArcaBook (the "ArcaBook Fee Filing"). The ArcaBook fees include access fees and professional and nonprofessional device fees.

With this proposed rule change, the Exchange proposes as a six-month pilot program to supplement those fees and that fee schedule with the addition of device fees for the Exchange's BBO Service. The Exchange is proposing to set the device fee for professional subscribers who receive BBO Services for both "CTA Plan and ETF Securities" and "UTP Plan Securities" (but no other bids and offers that are included in ArcaBook) at \$15, rather than the combined fee of \$30 that would otherwise apply to the receipt of ArcaBook data for both CTA Plan and ETF Securities and UTP Plan Securities.

The combined monthly professional subscriber device fee of \$15 compares favorably with comparable device fees in the industry for similar products. For instance, the 14-tier rate schedule under the CTA Plan imposes device fees ranging from \$127.25 for a professional subscriber using one device to \$18.75 for a professional subscriber using more than 10,000 devices. Under the UTP Plan, the comparable fee is \$20.

Similarly, the Exchange is proposing to set the device fee for nonprofessional subscribers who receive both BBO Services (but no other bids and offers that are included in ArcaBook) at \$5, rather than the combined fee of \$10 that would otherwise apply. In differentiating between professional and nonprofessional subscribers, the Exchange proposes to apply the same criteria for qualification as a nonprofessional subscriber as the CTA and CQ Plan Participants use, as more fully set forth in Exhibit 5 to the Arca Book Fee Filing. The \$5 nonprofessional subscriber fee is higher than the nonprofessional subscriber fees that are payable under the CQ and UTP Plans in recognition of the fact that NYSE Arca provides the data to vendors simultaneously with its delivery of the data to the processors under the CQ and UTP Plans. This allows vendors to receive the best bids and offers, and to distribute that data to their subscribers, more quickly than under the CQ and UTP Plans because it eliminates the processing time of the Plans' processors.

The ArcaBook Fee Filing establishes a monthly maximum amount of device fees payable by any broker-dealer in respect of certain subscribers that maintain brokerage accounts with the broker-dealer. The Exchange proposes to subject BBO Service fees payable by any broker-dealer in respect of those same subscribers to that monthly maximum.

NYSE Arca believes that the proposed BBO Service fees would reflect an equitable allocation of its overall costs to users of its facilities.

(. . . continued)

Nasdaq/National Market System Securities Traded on an Exchange on an
Unlisted or Listed Basis.

(iii) Free Trial Period. As an incentive to prospective subscribers, the Exchange proposes to offer subscribers the right to receive BBO Services free of charge for the duration of the calendar month in which the subscriber first becomes authorized to receive the data. For example, if a subscriber (whether professional or nonprofessional) becomes authorized to receive NYSE Arca BBO Services on May 10, the device fees set forth in this proposed rule change will not apply during that month of May.

(b) Statutory Basis - The basis under the Securities Exchange Act of 1934 (“1934 Act”) for this proposed rule change are the requirement under Section 6(b)(4) that an exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities and the requirements under Section 6(b)(5) that the rules of an exchange be designed to promote just and equitable principles of trade and not to permit unfair discrimination between customers, issuers, brokers or dealers.

4. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange believes that this proposed fee change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments regarding this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2) of the 1934 Act.

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

Not applicable.

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

This proposed rule change is neither based on a rule of another self-regulatory organization nor of the Commission.

9. Exhibits

Exhibit 1 - Form of Notice of Proposed Rule Change
for Publication in the Federal Register.

Exhibit 5 - Market Data Fee Schedule.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34- ; File No. SR-NYSEArca-2006-23)
Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by NYSE
Arca, Inc. Relating to Pilot Program for NYSE Arca BBO Data.**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “1934 Act”)¹ and Rule 19b-4 under the 1934 Act,² notice is hereby given that on May 23, 2006, NYSE Arca, Inc. filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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

NYSE Arca, Inc. (the “Exchange”), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca”), proposes to establish as a six-month pilot program market data fees for the receipt and use of market data relating to the Exchange’s best bids and offers.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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 -

(a) The Service. The Exchange proposes to permit vendors to cull best bids and offers from its ArcaBookSM product, which consists of a compilation of all limit orders resident in the NYSE Arca limit order book, and to create an NYSE Arca Best-Bid-and-Offer service for distribution to its professional and nonprofessional subscribers (a "BBO Service").³

(b) Proposed Fees. Contemporaneously with the proposed rule change, the Exchange has submitted another proposed rule change that proposes to establish market data fees and a Market Data Fee Schedule for the receipt and use of certain of the Exchange's market data services, including ArcaBook (the "ArcaBook Fee Filing"). The ArcaBook fees include access fees and professional and nonprofessional device fees.

³ The Exchange notes that it makes available to vendors the best bids and offers that are included in ArcaBook data no earlier than it makes those best bids and offers available to the processors under the CQ Plan and the Reporting Plan for Nasdaq/National Market System Securities Traded on an Exchange on an Unlisted or Listed Basis.

With the proposed rule change, the Exchange proposes as a six-month pilot program to supplement those fees and that fee schedule with the addition of device fees for the Exchange's BBO Service. The Exchange is proposing to set the device fee for professional subscribers who receive BBO Services for both "CTA Plan and ETF Securities" and "UTP Plan Securities" (but no other bids and offers that are included in ArcaBook) at \$15, rather than the combined fee of \$30 that would otherwise apply to the receipt of ArcaBook data for both CTA Plan and ETF Securities and UTP Plan Securities.

The combined monthly professional subscriber device fee of \$15 compares favorably with comparable device fees in the industry for similar products. For instance, the 14-tier rate schedule under the CTA Plan imposes device fees ranging from \$127.25 for a professional subscriber using one device to \$18.75 for a professional subscriber using more than 10,000 devices. Under the UTP Plan, the comparable fee is \$20.

Similarly, the Exchange is proposing to set the device fee for nonprofessional subscribers who receive both BBO Services (but no other bids and offers that are included in ArcaBook) at \$5, rather than the combined fee of \$10 that would otherwise apply. In differentiating between professional and nonprofessional subscribers, the Exchange proposes to apply the same criteria for qualification as a nonprofessional subscriber as the CTA and CQ Plan Participants use, as more fully set forth in Exhibit 5 to the Arca Book Fee Filing. The \$5 nonprofessional subscriber fee is higher than the nonprofessional subscriber fees that are payable under the CQ and UTP Plans in recognition of the fact that NYSE Arca provides the data to vendors simultaneously with

its delivery of the data to the processors under the CQ and UTP Plans. This allows vendors to receive the best bids and offers, and to distribute that data to their subscribers, more quickly than under the CQ and UTP Plans because it eliminates the processing time of the Plans' processors.

The ArcaBook Fee Filing establishes a monthly maximum amount of device fees payable by any broker-dealer in respect of certain subscribers that maintain brokerage accounts with the broker-dealer. The Exchange proposes to subject BBO Service fees payable by any broker-dealer in respect of those same subscribers to that monthly maximum.

NYSE Arca believes that the proposed BBO Service fees would reflect an equitable allocation of its overall costs to users of its facilities.

(c) Free Trial Period. As an incentive to prospective subscribers, the Exchange proposes to offer subscribers the right to receive BBO Services free of charge for the duration of the calendar month in which the subscriber first becomes authorized to receive the data. For example, if a subscriber (whether professional or nonprofessional) becomes authorized to receive NYSE Arca BBO Services on May 10, the device fees set forth in the proposed rule change will not apply during that month of May.

(2) Statutory Basis - The basis under the Securities Exchange Act of 1934 ("1934 Act") for the proposed rule change are the requirement under Section 6(b)(4) that an exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities and the requirements under Section 6(b)(5) that the rules of an exchange be designed to promote

just and equitable principles of trade and not to permit unfair discrimination between customers, issuers, brokers or dealers.

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

The Exchange believes that the proposed fee change will not impose any burden on competition that is not necessary or appropriate in the furtherance of the purposes of the 1934 Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments regarding the proposed rule change. The Exchange has not received any unsolicited written comments from Exchange participants or other interested parties.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) by order approve such proposed rule change, or
- (b) institute proceedings to determine whether the proposed rule

change should be 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, as amended, 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-2006-23 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-NYSEArca-2006-23. 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 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-NYSEArca-2006-23 and should be submitted on or before [insert date 21 days from date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Nancy M. Morris
Secretary

⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5**Marked to Show Changes Proposed by the Proposed Rule Change**

[Note: The underlined text represents fees that the Exchange is proposing to establish in this proposed rule change. The remaining text represents fees that the Exchange proposes to establish in a separate proposal (File No SR-NYSE Arca- 2006-21), which the SEC has not yet approved.]

Schedule of NYSE Arca Market Data Fees

1. Monthly Access Fees.
 - A. Direct Access: \$750 per set of four Logons
 - B. Indirect Access: \$750
2. Monthly Device Fees
 - A. Professional Subscribers
 - i. For all ArcaBook information relating to Exchange-Traded Funds and CTA Plan Securities:

\$15.00
 - ii. For all ArcaBook information relating to UTP Plan Securities (other than Exchange-Traded Funds):

\$15.00
 - iii. For ArcaBook information relating to best bids and offers for Exchange-Traded Funds, CTA Plan Securities and UTP Plan Securities:

\$15.00*
 - iv. For limit order information and last sale price information relating to bonds that are traded through NYSE Arca facilities:

No charge.

B. Nonprofessional Subscribers

- i. For ArcaBook information relating to Exchange-Traded Funds and CTA Plan Securities:

\$5.00

- ii. For ArcaBook information relating to UTP Plan Securities (other than Exchange-Traded Funds):

\$5.00

- iii. For ArcaBook information relating to best bids and offers for Exchange-Traded Funds, CTA Plan Securities and UTP Plan Securities:

\$5.00*

- iv. For limit order information and last sale price information relating to bonds that are traded through NYSE Arca facilities:

No charge.

C. Maximum Monthly Device Fee Payments. An entity that is registered as a broker-dealer under the Securities Exchange Act of 1934 is not required to pay more than the monthly broker-dealer "Maximum Amount" for device fees payable in respect of services that it provides to:

- (i) Nonprofessional Subscribers that maintain brokerage accounts with the broker-dealer; and
- (ii) Professional Subscribers that are not affiliated with the broker-dealer or any affiliate of the broker-dealer (either as an officer, partner or employee or otherwise) and that maintain brokerage accounts directly with the broker-dealer (that is, with the broker-dealer rather than with a correspondent firm of the broker dealer);

provided, however, that Nonprofessional Subscribers must comprise no less than 90 percent of the pool of subscribers as to which the monthly Maximum Amount applies. The "Maximum Amount" for any month in calendar year 2006 shall equal \$20,000. The "Maximum Amount" for the months falling in a subsequent calendar year shall increase by the percentage increase (if any) in the annual composite share volume for the calendar year preceding that subsequent calendar year, subject to a maximum annual increase of five percent.

For example, if the annual composite share volume for calendar year 2006 increases by three percent over the annual composite share volume for calendar year 2005, then the monthly “Maximum Amount” for months falling in calendar year 2007 would increase by three percent to \$20,600.

D. Free Trial Period. No device fees apply in respect of the receipt of NYSE Arca Market Data by a Professional Subscriber or Nonprofessional Subscriber in the calendar month in which the subscriber first becomes authorized to receive the data. For example, if a subscriber becomes authorized to receive NYSE Arca Market Data on May 10, the device fees will not apply during that month of May.

For the purposes of this Market Data Fee Schedule, the following definitions shall apply:

1. “CTA Plan” means the plan pursuant to which national securities exchanges disseminate last sale prices of transactions in CTA Plan Securities in compliance with Rule 601 under Regulation NMS. The CTA Plan can be found at <http://www.nysedata.com/nysedata/Default.aspx?tabid=227>.
2. “CTA Plan Security” means a security (a) that is listed for trading on one or more national securities exchanges, other than those listed on the Nasdaq Stock Market, Inc., and (b) trades in which are reported pursuant to the CTA Plan
3. “Direct Access” means access to NYSE Arca market data by means of a direct connection or linkage to NYSE Arca facilities. “Indirect Access” means access to NYSE Arca Data through an intermediary.
4. “Exchange-Traded Fund” means exchange-listed securities representing interests in open end unit investment trusts or open-end management investment companies that hold securities based on an index or a portfolio of securities.
5. “Logon” means a single means of access to one instance of an NYSE Arca datafeed. For example, if an access recipient gains access to NYSE Arca Data during a month by means of one logon to receive ArcaBook, a second logon to receive NYSE Arca bond information, a third logon to receive NYSE Arca back-up access to ArcaBook and a fourth logon to receive back-up access to NYSE Arca bond information, that recipient would have enjoyed four Logons during the month.
6. “Nonprofessional Subscriber” means an authorized end-user of NYSE Arca Data who is a natural person and who is neither:
 - (a) registered or qualified with the Securities and Exchange Commission (the “Commission”), the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association;

- (b) engaged as an "investment advisor" as that term is defined in Section 202(a)(11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that act); nor
- (c) employed by a bank or other organization exempt from registration under Federal and/or state securities laws to perform functions that would require him/her to be so registered or qualified if he/she were to perform such functions for an organization not so exempt.

7. "Professional Subscriber" means an authorized end-user of NYSE Arca Data that has not qualified as a Nonprofessional Subscriber.

8. "UTP Plan" means the "Reporting Plan for Nasdaq/National Market System Securities Traded on an Exchange on an Unlisted or Listed Basis" pursuant to which national securities exchanges disseminate last sale prices of transactions in UTP Plan Securities in compliance with Rule 601 under Regulation NMS. The UTP Plan can be found at <http://www.utpdata.com>.

9. "UTP Plan Security" means a security that is listed for trading on the Nasdaq Stock Market, Inc. and (a) as to which unlisted trading privileges have been granted pursuant to Section 12(f) of the Exchange Act or which become eligible for such trading by order of the Commission or (b) which is also listed on another national securities exchange.

* The pricing for ArcaBook information relating to best bids and offers for Exchange-Traded Funds, CTA Plan Securities and UTP Plan Securities is the subject of a pilot program that is scheduled to terminate on January 31, 2007.