

Proposed Rule Change by NYSE Arca
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Withdrawal	<input type="checkbox"/> Section 19(b)(2)	<input checked="" type="checkbox"/> Section 19(b)(3)(A)	<input type="checkbox"/> Section 19(b)(3)(B)
			Rule		
<input type="checkbox"/> Pilot	<input type="checkbox"/> Extension of Time Period for Commission Action	<input type="text" value=""/> Date Expires	<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)	

<input type="checkbox"/> Exhibit 2 Sent As Paper Document	<input type="checkbox"/> Exhibit 3 Sent As Paper Document
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

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 proposed rule change.

First Name	<input type="text" value="Glenn"/>	Last Name	<input type="text" value="Gsell"/>
Title	<input type="text" value="Director"/>		
E-mail	<input type="text" value="ggsell@nyse.com"/>		
Telephone	<input type="text" value="(415) 393-4805"/>	Fax	<input type="text"/>

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.

Date

By (Name) (Title)

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 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.

Re: File No. SR-NYSEArca-2007-07, Amendment No. 2

NYSE Arca, Inc. (the “Exchange”) hereby submits this partial amendment to the above-referenced rule filing regarding the Exchange’s proposal to make certain fee changes related to the implementation of the Penny Pilot Program. In this Amendment No. 2, the Exchange proposes to 1. Clarify the terms, OTP Holders and OTP Firms, in the purpose section of the 19b4 and Exhibit 1, 2. Correct a rule reference in footnotes in both the Form 19b4 and Exhibit 1, 3. Correct two incorrect fees in the Exhibit 1, 4. Add explanatory language to two separate references contained in the Rate Schedule. 5. Correct typographical error in “Transaction Fee” section of the Schedule. This Amendment No 2 replaces Amendment No 1 in its entirety.

OTP Holder and OTP Firm

The terms OTP Holder and OTP Firm used in the Form 19b4 (page 4) and Exhibit 1 (page 8), are defined in NYSE Arca Rule 1.1(q) and Rule 1.1(r). OTP Holders and OTP Firms have the status of a “member” of NYSE Arca, Inc. as that term is defined in Section 3 of the Securities and Exchange Act of 1934, as amended.

Proposed Changes to Form 19b4 and Exhibit 1

Footnote #2 of the Form 19b4, and corresponding footnote # 5 of the Exhibit 5 should read NYSEArca Rule 6.1(c) and NYSE Arca Rule 6.1A(a)(8).

Page 9, partial paragraph 1 of Exhibit 1 should read as follows. (deletions bracketed, additions underlined).

Registered Market Makers⁵ will receive a credit of [~~\$0.25~~] \$0.30 per contract. All other trade participants, including but not limited to Brokers-Dealers and OTP Firms representing both Firm and Public Customer orders, will be receive a credit of [~~\$0.20~~] \$0.25 contract.

Proposed Changes to Exhibit 5

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Proposed footnote #6 will now read as follows. New language pursuant to Amendment No. 2 is shown as underlined

For Electronic Executions in Penny Pilot issues, Post Liquidity Fees are credited, Take Liquidity Fees are charged. Transaction fees do not apply to executions occurring during the Opening Auction in Penny Pilot issues. Electronically executed Contingency Orders will be charged the Take Liquidity Fee. Penny Pilot issues trade as part of a pilot program through July 26, 2007.

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Correct a typographical error in the fee section by deleting the extra decimal point in both the “Customer Electronic” and “Firm” fees. Deletions are shown below, bracketed.

TRANSACTION FEE - PER CONTRACT

Order Type	Standard Executions ⁵	Electronic Executions in Penny Pilot Issues ⁶	
		Post Liquidity	Take Liquidity
LMM ⁷	\$0.09	-\$0.30	\$0.50
NYSE Arca Market Maker	\$0.16	-\$0.30	\$0.50
BD Electronic	\$0.50	-\$0.25	\$0.50
BD Manual	\$0.26	N/A	N/A
Customer Electronic	\$0.00	-\$0[.]25	\$0.50
Customer Manual	\$0.00	N/A	N/A
Firm ⁸	\$0.15	-\$0[.]25	\$0.50

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Explanatory language will be added to the existing text in the Royalty Fees section of the Schedule. New language, pursuant to Amendment No. 2 is underlined.

Royalty Fees will be assessed on a per contract basis for firm, broker/dealer, and Market Maker transactions. For electronic executions in issues included in the Penny Pilot, Royalty Fees will be passed through to the trading participant on the “Take” side of the transaction.