

Proposed Rule Change by NYSE Arca
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 type="checkbox"/> 19b-4(f)(6)
			<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)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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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="Andrew"/>	Last Name	<input type="text" value="Stevens"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="astevens@nyse.com"/>		
Telephone	<input type="text" value="(312) 442-7632"/>	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 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 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 Equities”), proposes to amend the section of its Schedule of Fees and Charges for Exchange Services (the “Fee Schedule”) that applies to transactions by ETP Holders¹ to add a pricing structure for listed and Nasdaq securities priced less than one dollar. The amended section of the Fee Schedule is included as Exhibit 5 hereto.
- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

- (a) The proposed rule is being submitted by Exchange staff to the Securities and Exchange Commission (the “Commission”) pursuant to authority delegated by the Exchange’s Board of Directors and the NYSE Arca Equities Board of Directors.
- (b) Questions and comments regarding the proposed rule change may be directed to the following:

Andrew Stevens
Assistant General Counsel
NYSE Group, Inc
Phone: (312) 442-7632

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

(a) 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 Regulation NMS, Securities and Exchange (“SEC”) Rule 610(c).² The Exchange intends to implement these changes to the Fee Schedule pursuant to this proposal immediately upon filing.

¹ See NYSE Arca Equities Rule 1.1(n).

² 17 CFR § 242.610(c).

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, dependant upon the away market center or participant, the type of security, and whether the transaction was for a round or odd lot.

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 Regulation NMS, SEC Rule 610(c), and consistent with the recent fee announcement³ 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 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.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁴ in general and furthers the objectives of Section 6(b)(4)⁵ 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.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

³ See 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).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

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

Written comments on the proposed rule change were neither solicited nor received.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of any time period for Commission action.

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

The filing has become effective upon filing pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(2). At any time within 60 days of the filing of such 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.

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

This proposed rule change is based on the rules of another self-regulatory organization⁶ or of the Commission.

9. Exhibits

Exhibit 1 Form of Notice of Proposed Rule Change for Federal Register.

Exhibit 5 Amended Section of the Schedule of Fees and Charges for Exchange Services.

⁶ See footnote 3, *supra*.

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NYSEArca-2007-30)

[DATE]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Arca, Inc. 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. (the “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change 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, through its wholly owned subsidiary NYSE Arca Equities, proposes to amend the section of its Schedule of Fees and Charges for Exchange Services

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

(the “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 on the Exchange’s website at www.nyse.com, at the Exchange’s Office of the Secretary and at the Commission.

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 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

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 Regulation NMS, Securities and Exchange (“SEC”) Rule 610(c).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

⁵ See NYSE Arca Equities Rule 1.1(n).

⁶ 17 CFR § 242.610(c).

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, dependant upon the away market center or participant, the type of security, and whether the transaction was for a round or odd lot.

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 Regulation NMS, SEC Rule 610(c), 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 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 the proposed rule change is consistent with Section 6(b) of

⁷ See 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).

the Act⁸ in general and furthers the objectives of Section 6(b)(4)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 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

Written comments on the proposed rule change were neither solicited nor received.

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

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(2)¹¹ thereunder because it establishes or changes a due, fee, or other charge imposed by the Exchange. 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

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 19b-4(f)(2).

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 No. SR-NYSEArca-2007-30 on the subject line.

Paper comments:

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

All submissions should refer to File No. 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 website (<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 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 No. 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 Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).

Text of the Proposed Rule Change
(New text is underlined; deleted text is in brackets.)

Rules of NYSE Arca Equities, Inc.

**SCHEDULE OF FEES AND CHARGES
FOR EXCHANGE SERVICES**

* * *

NYSE ARCA MARKETPLACE: TRADE RELATED CHARGES

EXCHANGE TRANSACTIONS

ETP HOLDERS¹

Round Lots (Per Share Price \$1.00 or Above)

NYSE Listed Securities (other than ETFs)	\$0.002 per share (credit) for orders executed in the Book against inbound orders
	\$0.003 per share for orders that take liquidity from the Book (including orders received through ITS)
	\$0.001 per share for orders routed outside the Book to the NYSE
	\$0.003 per share for orders routed outside the Book to any away market centers other than the NYSE
NYSE Listed ETF Securities	\$.003 per share (applicable to inbound orders executed against orders residing in the Book)
Listed Securities (except NYSE Listed Securities)	\$0.003 per share (applicable to inbound orders executed against orders residing in the Book)

1

These transaction fees do not apply to: (1) Directed Orders, regardless of account type, that are matched within the Directed Order Process; (2) Directed Orders for the account of a retail public customer that are executed partially or in their entirety via the Directed Order, Display Order, Working Order, and Tracking Order processes (however, any unfilled or residual portion of a retail customer's order that is routed away and executed by another market center or participant will incur this transaction fee); (3) orders executed in the Opening Auction, Market Order Auction, and the Closing Auction; (4) Cross Orders; (5) commitments received through ITS (except for round-lot orders in NYSE-listed securities (other than ETFs) that take liquidity from the Book, in which case the applicable fee set forth above applies); and (6) participants in the Nasdaq UTP Plan that transmit orders via telephone.

Nasdaq Securities	\$0.003 per share (applicable to inbound orders executed against orders residing in the Book)
Routing Services	\$0.004 per share (applicable to orders in listed, except NYSE Non-ETF Listed Securities, and Nasdaq securities routed away and executed by another market center or participant)

Odd Lots (Per Share Price \$1.00 or Above)

Listed Securities	\$.03 per share (applicable to all odd-lot orders executed against orders residing in the Book)
Nasdaq Securities	\$.004 per share (applicable to all odd-lot orders executed against orders residing in the Book)
Routing Service	
Listed Securities	\$0.03 per share (applicable to odd-lot orders routed away and executed by another market center or participant)
Nasdaq Securities	\$0.004 per share (applicable to odd-lot orders routed away and executed by another market center or participant)

Round Lots and Odd Lots (Per Share Price Below \$1.00)²

<u>Listed Securities</u>	<u>0.1% of the total dollar value for orders that take liquidity from the Book (including orders received through ITS)</u>
<u>Nasdaq Securities</u>	<u>0.1% of the total dollar value for orders that take liquidity from the Book (including inbound orders executed against orders residing in the Book)</u>
<u>Routing Services</u>	<u>0.3% of the total dollar value (applicable to orders of listed and Nasdaq securities routed away and executed by another market center or participant)</u>

* * *

²

These fees are consistent with the limitations of Regulation NMS, SEC Rule 610(c), for securities with a price of less than \$1.00.