

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. (“Exchange”), through its wholly-owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), proposes to trade pursuant to unlisted trading privileges (“UTP”) units (“Units”) of the United States Natural Gas Fund, LP (“USNG” or “Partnership”) pursuant to NYSE Arca Equities Rule 8.300. The text of the proposed rule change is available on the Exchange’s Web site at www.nyse.com, at the Exchange’s principal office and at the Commission’s Public Reference Room.
- (b) The Exchange does not believe that the proposed rule change would 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 change is being submitted by Exchange staff to the Securities and Exchange Commission (“SEC” or “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. (312) 442-7632	Timothy J. Malinowski Director NYSE Group, Inc. (312) 442-7886
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3. Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

Under NYSE Arca Equities Rule 8.300, the Exchange may propose to list and/or trade pursuant to UTP “Partnership Units.”¹ The Exchange proposes to trade pursuant to UTP the Units under NYSE Arca Equities Rule 8.300. The Units

¹ In May 2006, the Commission approved NYSE Arca Equities Rule 8.300, which sets forth the rules related to listing and trading criteria for Partnership Units. *See* Securities Exchange Act Release No. 53875 (May 25, 2006), 71 FR 32164 (June 2, 2006) (SR-NYSEArca-2006-11) (approving trading pursuant to UTP of Partnership Units of the United States Oil Fund, LP).

represent ownership of a fractional undivided beneficial interest in the net assets of USNG.² A rule proposal to list and trade the Units filed by the American Stock Exchange LLC (“Amex”) has been approved by the Commission.³

The net assets of USNG consist of investments in futures contracts based on natural gas, crude oil, heating oil, gasoline, and other petroleum-based fuels traded on the New York Mercantile Exchange (“NYMEX”), Intercontinental Exchange (“ICE Futures”) or other U.S. and foreign exchanges (collectively, “Futures Contracts”). USNG may also invest in other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, and over-the-counter transactions that are based on the price of natural gas, oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, “Other Natural Gas Related Investments”). Futures Contracts and Other Natural Gas Related Investments collectively are referred to as “Natural Gas Interests.”

USNG invests in Natural Gas Interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations. In pursuing this objective, the primary focus of USNG’s investment manager, Victoria Bay Asset Management, LLC (“Victoria Bay” or “General Partner”), is the investment in Futures Contracts and the management of its investments in short-term obligations of the United States (“Treasuries”), cash equivalents and cash (collectively, “Cash”) for margining purposes and as collateral.

The investment objective of USNG is for changes in percentage terms of a Unit’s net asset value (“NAV”) to reflect the changes in percentage terms of the price of natural gas delivered at the Henry Hub, Louisiana as measured by the natural gas futures contract traded on the NYMEX (“Benchmark Futures Contract”). The Benchmark Futures contract employed is the near month expiration contract, except when the near month contract is within two (2) weeks of expiration, in which case the Benchmark Futures Contract is the next expiration month.⁴

The General Partner attempts to place USNG’s trades in Natural Gas Interests and otherwise manage USNG’s investments so that “A” will be within plus/minus 10 percent of “B,” where:

² USNG is a commodity pool that issues Units that would be purchased and sold on the Exchange.

³ See Securities Exchange Act Release No. 34-55632 (April 13, 2007), 72 FR 19987 (April 20, 2007) (SR-Amex-2006-112) (“Amex Order”). See also Securities Exchange Act Release No. 34-55372 (February 28, 2007), 72 FR 10267 (March 7, 2007) (SR-Amex-2006-112) (“Amex Notice”).

⁴ The Benchmark Futures Contracts will be changed or “rolled” from the near month contract to expire to the next month to expire over a four (4) day period.

- A is the average daily change in USNG's NAV for any period of 30 successive valuation days, *i.e.*, any day as of which USNG calculates its NAV; and
- B is the average daily change in the price of the Benchmark Futures Contract over the same period.

Dissemination and Availability of Information About the Underlying Futures Contracts and the Units

As set forth in the Amex Notice, the daily settlement prices for the NYMEX traded Futures Contracts held by USNG are publicly available on the NYMEX Web site at www.nymex.com. In addition, various market data vendors and news publications publish futures prices and related data. Quote and last sale information for the Futures Contracts are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, real-time futures data is available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures information on current and past trading sessions and market news free of charge on its Web site. The specific contract specifications for the Futures Contracts are also available on the NYMEX Web site and the ICE Futures Web site at www.icefutures.com.

The Web site for Amex at www.amex.com, which is publicly accessible at no charge, contains the following information: (1) the prior business day's NAV and the reported closing price; (2) the mid-point of the bid-ask price in relation to the NAV as of the time the NAV is calculated ("Bid-Ask Price");⁵ (3) calculation of the premium or discount of such price against such NAV; (4) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four (4) previous calendar quarters; (5) the prospectus and the most recent periodic reports filed with the SEC or required by the CFTC; and (6) other applicable quantitative information.

USNG's total portfolio composition is disclosed, each business day that the Amex is open for trading, on USNG's Web site at www.unitedstatesnaturalgasfund.com. USNG expects that Web site disclosure of portfolio holdings will be made daily and will include, as applicable, the name and value of each Natural Gas Interest, the specific types of Natural Gas Interests and characteristics of such Natural Gas Interests, Treasuries and amount of cash and cash equivalents held in the portfolio of USNG. The public Web site disclosure of the portfolio composition of USNG will coincide with the disclosure by the Administrator on each business day of the NAV for the Units and the Basket Amount (for orders placed during the day). Therefore, the same portfolio information will be provided

⁵ The Bid-Ask Price of Units is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

on the public Web site as well as in the facsimile or electronic mail message to Authorized Purchasers containing the NAV and Basket Amount (“Daily Dissemination”). The format of the public Web site disclosure and the Daily Dissemination will differ because the public Web site will list all portfolio holdings while the Daily Dissemination will provide the portfolio holdings in a format appropriate for Authorized Purchasers, *i.e.*, the exact components of a Creation Unit.

The NAV for USNG will be calculated and disseminated daily.⁶ According to the Amex Notice, the Amex also intends to disseminate for USNG on a daily basis by means of CTA/CQ High Speed Lines information with respect to the Indicative Partnership Value (as discussed below), recent NAV, Units outstanding, the Basket Amount and the Deposit Amount. The Amex will also make available on its Web site daily trading volume, closing prices and the NAV. The closing price and settlement prices of the Futures Contracts held by USNG are also readily available from the NYMEX, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters.

In order to provide updated information relating to USNG for use by investors, professionals and persons wishing to create or redeem the Units, the Amex will disseminate through the facilities of the Consolidated Tape Association an updated Indicative Partnership Value (“Indicative Partnership Value”), according to the Amex Notice. The Indicative Partnership Value will be disseminated on a per Unit basis at least every fifteen seconds during the regular trading hours of 9:30 a.m. to 4:15 p.m. ET. The Indicative Partnership Value will be calculated based on the Treasuries and cash required for creations and redemptions (*i.e.*, NAV per limit x 100,000) adjusted to reflect the price changes of the Benchmark Futures Contract.

The Indicative Partnership Value will not reflect price changes to the price of the Benchmark Futures Contract between the close of open-outcry trading of such contract on the NYMEX at 2:30 p.m. ET and the open of trading on the NYMEX ACCESS market at 3:15 p.m. ET. The Indicative Partnership Value after 3:15 p.m. ET⁷ will reflect changes to the Benchmark Futures Contract as provided for through NYMEX ACCESS. The value of a Unit may accordingly be influenced by non-concurrent trading hours between the NYSE Arca Marketplace and NYMEX. While the Units will trade on the NYSE Arca Marketplace in accordance with NYSE Arca Equities Rule 7.34 (4 a.m. to 8 p.m. ET), the

⁶ According to the Amex Notice, the Amex intended to obtain a representation from USNG that its NAV per Unit will be calculated daily and made available to all market participants at the same time.

⁷ NYMEX ACCESS®, an electronic trading system, is open for price discovery on the Benchmark Futures Contract each Monday through Thursday at 3:15 p.m. ET through the following morning at 9:30 a.m. ET, and from 7:00 p.m. Sunday night until Monday morning 9:30 a.m. ET.

Benchmark Futures Contract will trade, in open-outcry, on the NYMEX from 10 a.m. to 2:30 pm ET and NYMEX ACCESS from 3:15 p.m. through the following morning 9:30 a.m. ET.

While the NYMEX is open for trading, the Indicative Partnership Value can be expected to closely approximate the value per unit of the Basket Amount. However, during trading hours when the Futures Contracts have ceased trading, spreads and resulting premiums or discounts may widen, and therefore, increase the difference between the price of the Units and the NAV of the Units. The Indicative Partnership Value on a per Unit basis disseminated from 9:30 a.m. to 4:15 p.m. ET should not be viewed as a real-time update of the NAV, which is calculated only once a day.

UTP Trading Criteria

The Exchange represents that it will cease trading the Units of USNG if: (a) the listing market stops trading the Units because of a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12; or (b) the listing market delists the Units. Additionally, the Exchange may cease trading the Units if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable. UTP trading in the Units is also governed by the trading halts provisions of NYSE Arca Equities Rule 7.34 relating to temporary interruptions in the calculation or wide dissemination of the Indicative Partnership Value or the value of the Benchmark Futures Contract.⁸

Trading Rules

The Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities. Units will trade on the NYSE Arca Marketplace in accordance with NYSE Arca Equities Rule 7.34. The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions. The minimum trading increment for Units on the Exchange will be \$0.01.

NYSE Arca Equities Rule 8.300(e) sets forth certain restrictions on ETP Holders acting as registered Market Makers in Units to facilitate surveillance. NYSE Arca

⁸ Note that NYSE Arca Equities Rule 7.34(a) literally addresses temporary interruptions in the calculation or wide dissemination of the Indicative Intra-Day Value and the value of an underlying index. The Units, however, do not have an underlying index, but have an underlying Benchmark Futures Contract. Therefore, the Exchange hereby represents that the provisions in NYSE Arca Equities Rule 7.34(a) that address interruptions in the calculation or wide dissemination of the value of an underlying index shall also apply to interruptions in the calculation or wide dissemination of the value of an underlying Benchmark Futures Contract.

Equities Rule 8.300(e)(2)-(3) requires that the ETP Holder acting as a registered Market Maker in the Units provide the Exchange with necessary information relating to its trading in the underlying asset or commodity, related futures or options on futures, or any other related derivatives. NYSE Arca Equities Rule 8.300(e)(4) prohibits the ETP Holder acting as a registered Market Maker in the Units from using any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in the underlying asset or commodity, related futures or options on futures or any other related derivative (including the Units). In addition, NYSE Arca Equities Rule 8.300(e)(1) prohibits the ETP Holder acting as a registered Market Maker in the Units from being affiliated with a market maker in the underlying asset or commodity, related futures or options on futures or any other related derivative unless adequate information barriers are in place, as provided in NYSE Arca Equities Rule 7.26.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) the extent to which trading is not occurring in the underlying Futures Contracts, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Units could be halted pursuant to the Exchange's "circuit breaker" rule⁹ or by the halt or suspension of trading of the underlying securities. See "UTP Trading Criteria" above for specific instances when the Exchange will cease trading the Units.

Unless exemptive or no-action relief is available, the Units will be subject to the short sale rule, Rule 10a-1 and Regulation SHO under the Act. If exemptive or no-action relief is provided, the Exchange will issue a notice detailing the terms of the exemption or relief.

Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Units. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules.

The Exchange's current trading surveillance focuses on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

⁹ See NYSE Arca Equities Rule 7.12.

The Exchange may obtain information via the Intermarket Surveillance Group (“ISG”) from other exchanges who are members or affiliates of the ISG.¹⁰ In addition, the Exchange has an Information Sharing Agreement in place with NYMEX and ICE Futures for the purpose of providing information in connection with trading in or related to futures contracts traded on the NYMEX and ICE Futures, respectively. To the extent that USNG invests in Natural Gas Interests traded on other exchanges, the Exchange will seek to enter into information sharing agreements with those particular exchanges.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Units. Specifically, the Bulletin will discuss the following: (1) the procedures for purchases and redemptions of Units in Baskets (and that Units are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a),¹¹ which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (3) how information regarding the Indicative Partnership Value is disseminated; (4) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Units prior to or concurrently with the confirmation of a transaction; and (5) trading information.

In addition, the Bulletin will reference that the Partnership is subject to various fees and expenses described in the Registration Statement.

The Bulletin will also reference the fact that there is no regulated source of last sale information regarding physical commodities, that the Commission has no jurisdiction over the trading of natural gas, crude oil, heating oil, gasoline or other

¹⁰ For a list of the current members and affiliate members of ISG, *see* www.isgportal.com.

¹¹ NYSE Arca Equities Rule 9.2(a) provides that ETP Holders, before recommending a transaction, must have reasonable grounds to believe that the recommendation is suitable for the customer based on any facts disclosed by the customer as to his other security holdings and as to his financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holders shall make reasonable efforts to obtain information concerning the customer’s financial status, tax status, investment objectives, and any other information that they believe would be useful to make a recommendation. *See* Securities Exchange Act Release No. 54045 (June 26, 2006), 71 FR 37971 (July 3, 2006) (SR-PCX-2005-115).

petroleum-based fuels, and that the Commodity Futures Trading Commission (“CFTC”) has regulatory jurisdiction over the trading of natural gas-based futures contracts and related options.

The Bulletin will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

The Bulletin will also disclose that the NAV for the Units will be calculated after 4:00 p.m. ET each trading day.

(b) Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5),¹³ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

In addition, the proposed rule change is consistent with Rule 12f-5¹⁴ under the Act because it deems the Units to be equity securities, thus rendering the Units subject to the Exchange’s rules governing the trading of equity securities.

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.

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 the time period specified in Section 19(b)(2) of the Act.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ 17 CFR 240.12f-5.

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

The Exchange requests the Commission to find good cause to accelerate effectiveness of this rule filing pursuant to Section 19(b)(2) of the Act for approving the proposed rule change prior to the 30th day after publication of the proposed rule change in the Federal Register. The proposed rule change is based on the rule proposal of Amex, which has been approved by the Commission.¹⁵ The Exchange believes there is good cause to grant expedited review and accelerated effectiveness of this proposal because this proposal raises no novel issues and is similar to the United States Oil Fund, LP rule filing, approved by the Commission in May 2006.¹⁶

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

The proposed rule change is based on the rule proposal of Amex, which has been approved by the Commission.¹⁷

9. Exhibits

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

¹⁵ See note 3, *supra*.

¹⁶ See note 1, *supra*.

¹⁷ See note 3, *supra*.

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34- ; File No. SR-NYSEArca-2007-45)

[DATE]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Trade Units of the United States Natural Gas Fund, LP Pursuant to Unlisted Trading Privileges

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 May 15, 2007, NYSE Arca, Inc. (“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 prepared by the Exchange. The Commission is publishing this notice and order to solicit comment on the proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

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 trade pursuant to unlisted trading privileges (“UTP”) units (“Units”) of the United States Natural Gas Fund, LP (“USNG” or “Partnership”) pursuant to NYSE Arca Equities Rule 8.300. The text of the proposed rule change is available on the Exchange’s Web site at www.nyse.com, at the Exchange’s principal office 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In its filing with the Commission, the Exchange 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 Exchange 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

Under NYSE Arca Equities Rule 8.300, the Exchange may propose to list and/or trade pursuant to UTP “Partnership Units.”³ The Exchange proposes to trade pursuant to UTP the Units under NYSE Arca Equities Rule 8.300. The Units represent ownership of a fractional undivided beneficial interest in the net assets of USNG.⁴ A rule proposal to list and trade the Units filed by the American Stock Exchange LLC (“Amex”) has been approved by the Commission.⁵

The net assets of USNG consist of investments in futures contracts based on natural gas, crude oil, heating oil, gasoline, and other petroleum-based fuels traded on the New York Mercantile Exchange (“NYMEX”), Intercontinental Exchange (“ICE

³ In May 2006, the Commission approved NYSE Arca Equities Rule 8.300, which sets forth the rules related to listing and trading criteria for Partnership Units. *See* Securities Exchange Act Release No. 53875 (May 25, 2006), 71 FR 32164 (June 2, 2006) (SR-NYSEArca-2006-11) (approving trading pursuant to UTP of Partnership Units of the United States Oil Fund, LP).

⁴ USNG is a commodity pool that issues Units that would be purchased and sold on the Exchange.

⁵ *See* Securities Exchange Act Release No. 34-55632 (April 13, 2007), 72 FR 19987 (April 20, 2007) (SR-Amex-2006-112) (“Amex Order”). *See also* Securities Exchange Act Release No. 34-55372 (February 28, 2007), 72 FR 10267 (March 7, 2007) (SR-Amex-2006-112) (“Amex Notice”).

Futures”) or other U.S. and foreign exchanges (collectively, “Futures Contracts”). USNG may also invest in other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, and over-the-counter transactions that are based on the price of natural gas, oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, “Other Natural Gas Related Investments”). Futures Contracts and Other Natural Gas Related Investments collectively are referred to as “Natural Gas Interests.”

USNG invests in Natural Gas Interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations. In pursuing this objective, the primary focus of USNG’s investment manager, Victoria Bay Asset Management, LLC (“Victoria Bay” or “General Partner”), is the investment in Futures Contracts and the management of its investments in short-term obligations of the United States (“Treasuries”), cash equivalents and cash (collectively, “Cash”) for margining purposes and as collateral.

The investment objective of USNG is for changes in percentage terms of a Unit’s net asset value (“NAV”) to reflect the changes in percentage terms of the price of natural gas delivered at the Henry Hub, Louisiana as measured by the natural gas futures contract traded on the NYMEX (“Benchmark Futures Contract”). The Benchmark Futures contract employed is the near month expiration contract, except when the near month contract is within two (2) weeks of expiration, in which case the Benchmark Futures Contract is the next expiration month.⁶

⁶ The Benchmark Futures Contracts will be changed or “rolled” from the near month contract to expire to the next month to expire over a four (4) day period.

The General Partner will attempt to place USNG's trades in Natural Gas Interests and otherwise manage USNG's investments so that "A" is within plus/minus 10 percent of "B," where:

- A is the average daily change in USNG's NAV for any period of 30 successive valuation days, *i.e.*, any day as of which USNG calculates its NAV; and
- B is the average daily change in the price of the Benchmark Futures Contract over the same period.

Dissemination and Availability of Information About the Underlying Futures Contracts and the Units

As set forth in the Amex Notice, the daily settlement prices for the NYMEX traded Futures Contracts held by USNG are publicly available on the NYMEX Web site at www.nymex.com. In addition, various market data vendors and news publications publish futures prices and related data. Quote and last sale information for the Futures Contracts are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, real-time futures data is available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures information on current and past trading sessions and market news free of charge on its Web site. The specific contract specifications for the Futures Contracts are also available on the NYMEX Web site and the ICE Futures Web site at www.icefutures.com.

The Web site for Amex at www.amex.com, which is publicly accessible at no charge, contains the following information: (1) the prior business day's NAV and the reported closing price; (2) the mid-point of the bid-ask price in relation to the NAV as of

the time the NAV is calculated (“Bid-Ask Price”);⁷ (3) calculation of the premium or discount of such price against such NAV; (4) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four (4) previous calendar quarters; (5) the prospectus and the most recent periodic reports filed with the SEC or required by the CFTC; and (6) other applicable quantitative information.

USNG’s total portfolio composition is disclosed, each business day that the Amex is open for trading, on USNG’s Web site at www.unitedstatesnaturalgasfund.com. USNG expects that Web site disclosure of portfolio holdings will be made daily and will include, as applicable, the name and value of each Natural Gas Interest, the specific types of Natural Gas Interests and characteristics of such Natural Gas Interests, Treasuries and amount of cash and cash equivalents held in the portfolio of USNG. The public Web site disclosure of the portfolio composition of USNG will coincide with the disclosure by the Administrator on each business day of the NAV for the Units and the Basket Amount (for orders placed during the day). Therefore, the same portfolio information will be provided on the public Web site as well as in the facsimile or electronic mail message to Authorized Purchasers containing the NAV and Basket Amount (“Daily Dissemination”). The format of the public Web site disclosure and the Daily Dissemination will differ because the public Web site will list all portfolio holdings while the Daily Dissemination will provide the portfolio holdings in a format appropriate for Authorized Purchasers, *i.e.*, the exact components of a Creation Unit.

⁷

The Bid-Ask Price of Units is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

The NAV for USNG will be calculated and disseminated daily.⁸ According to the Amex Notice, the Amex also intends to disseminate for USNG on a daily basis by means of CTA/CQ High Speed Lines information with respect to the Indicative Partnership Value (as discussed below), recent NAV, Units outstanding, the Basket Amount and the Deposit Amount. The Amex will also make available on its Web site daily trading volume, closing prices and the NAV. The closing price and settlement prices of the Futures Contracts held by USNG are also readily available from the NYMEX, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters.

In order to provide updated information relating to USNG for use by investors, professionals and persons wishing to create or redeem the Units, the Amex will disseminate through the facilities of the Consolidated Tape Association an updated Indicative Partnership Value (“Indicative Partnership Value”), according to the Amex Notice. The Indicative Partnership Value will be disseminated on a per Unit basis at least every fifteen seconds during the regular trading hours of 9:30 a.m. to 4:15 p.m. ET. The Indicative Partnership Value will be calculated based on the Treasuries and cash required for creations and redemptions (i.e., NAV per limit x 100,000) adjusted to reflect the price changes of the Benchmark Futures Contract.

The Indicative Partnership Value will not reflect price changes to the price of the Benchmark Futures Contract between the close of open-outcry trading of such contract on the NYMEX at 2:30 p.m. ET and the open of trading on the NYMEX ACCESS

⁸ According to the Amex Notice, the Amex intended to obtain a representation from USNG that its NAV per Unit will be calculated daily and made available to all market participants at the same time.

market at 3:15 p.m. ET. The Indicative Partnership Value after 3:15 p.m. ET⁹ will reflect changes to the Benchmark Futures Contract as provided for through NYMEX ACCESS. The value of a Unit may accordingly be influenced by non-concurrent trading hours between the NYSE Arca Marketplace and NYMEX. While the Units will trade on the NYSE Arca Marketplace in accordance with NYSE Arca Equities Rule 7.34 (4 a.m. to 8 p.m. ET), the Benchmark Futures Contract will trade, in open-outcry, on the NYMEX from 10 a.m. to 2:30 pm ET and NYMEX ACCESS from 3:15 p.m. through the following morning 9:30 a.m. ET.

While the NYMEX is open for trading, the Indicative Partnership Value can be expected to closely approximate the value per unit of the Basket Amount. However, during trading hours when the Futures Contracts have ceased trading, spreads and resulting premiums or discounts may widen, and therefore, increase the difference between the price of the Units and the NAV of the Units. The Indicative Partnership Value on a per Unit basis disseminated from 9:30 a.m. to 4:15 p.m. ET should not be viewed as a real-time update of the NAV, which is calculated only once a day.

UTP Trading Criteria

The Exchange represents that it will cease trading the Units of USNG if: (a) the listing market stops trading the Units because of a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12; or (b) the listing market delists the Units.

Additionally, the Exchange may cease trading the Units if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the

⁹ NYMEX ACCESS®, an electronic trading system, is open for price discovery on the Benchmark Futures Contract each Monday through Thursday at 3:15 p.m. ET through the following morning at 9:30 a.m. ET, and from 7:00 p.m. Sunday night until Monday morning 9:30 a.m. ET.

Exchange inadvisable. UTP trading in the Units is also governed by the trading halts provisions of NYSE Arca Equities Rule 7.34 relating to temporary interruptions in the calculation or wide dissemination of the Indicative Partnership Value or the value of the Benchmark Futures Contract.¹⁰

Trading Rules

The Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities. Units will trade on the NYSE Arca Marketplace in accordance with NYSE Arca Equities Rule 7.34. The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions. The minimum trading increment for Units on the Exchange will be \$0.01.

NYSE Arca Equities Rule 8.300(e) sets forth certain restrictions on ETP Holders acting as registered Market Makers in Units to facilitate surveillance. NYSE Arca Equities Rule 8.300(e)(2)-(3) requires that the ETP Holder acting as a registered Market Maker in the Units provide the Exchange with necessary information relating to its trading in the underlying asset or commodity, related futures or options on futures, or any other related derivatives. NYSE Arca Equities Rule 8.300(e)(4) prohibits the ETP Holder acting as a registered Market Maker in the Units from using any material nonpublic

¹⁰ Note that NYSE Arca Equities Rule 7.34(a) literally addresses temporary interruptions in the calculation or wide dissemination of the Indicative Intra-Day Value and the value of an underlying index. The Units, however, do not have an underlying index, but have an underlying Benchmark Futures Contract. Therefore, the Exchange hereby represents that the provisions in NYSE Arca Equities Rule 7.34(a) that address interruptions in the calculation or wide dissemination of the value of an underlying index shall also apply to interruptions in the calculation or wide dissemination of the value of an underlying Benchmark Futures Contract.

information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in the underlying asset or commodity, related futures or options on futures or any other related derivative (including the Units). In addition, NYSE Arca Equities Rule 8.300(e)(1) prohibits the ETP Holder acting as a registered Market Maker in the Units from being affiliated with a market maker in the underlying asset or commodity, related futures or options on futures or any other related derivative unless adequate information barriers are in place, as provided in NYSE Arca Equities Rule 7.26.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) the extent to which trading is not occurring in the underlying Futures Contracts, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Units could be halted pursuant to the Exchange's "circuit breaker" rule¹¹ or by the halt or suspension of trading of the underlying securities. See "UTP Trading Criteria" above for specific instances when the Exchange will cease trading the Units.

Unless exemptive or no-action relief is available, the Units will be subject to the short sale rule, Rule 10a-1 and Regulation SHO under the Act. If exemptive or no-action relief is provided, the Exchange will issue a notice detailing the terms of the exemption or relief.

¹¹ See NYSE Arca Equities Rule 7.12.

Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Units. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules.

The Exchange's current trading surveillance focuses on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange may obtain information via the Intermarket Surveillance Group ("ISG") from other exchanges who are members or affiliates of the ISG.¹² In addition, the Exchange has an Information Sharing Agreement in place with NYMEX and ICE Futures for the purpose of providing information in connection with trading in or related to futures contracts traded on the NYMEX and ICE Futures, respectively. To the extent that USNG invests in Natural Gas Interests traded on other exchanges, the Exchange will seek to enter into information sharing agreements with those particular exchanges.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin ("Bulletin") of the special characteristics and risks associated with trading the Units. Specifically, the Bulletin will discuss the following: (1) the

¹² For a list of the current members and affiliate members of ISG, see www.isgportal.com.

procedures for purchases and redemptions of Units in Baskets (and that Units are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a),¹³ which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (3) how information regarding the Indicative Partnership Value is disseminated; (4) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Units prior to or concurrently with the confirmation of a transaction; and (5) trading information.

In addition, the Bulletin will reference that the Partnership is subject to various fees and expenses described in the Registration Statement.

The Bulletin will also reference the fact that there is no regulated source of last sale information regarding physical commodities, that the Commission has no jurisdiction over the trading of natural gas, crude oil, heating oil, gasoline or other petroleum-based fuels, and that the Commodity Futures Trading Commission (“CFTC”) has regulatory jurisdiction over the trading of natural gas-based futures contracts and related options.

The Bulletin will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

¹³ NYSE Arca Equities Rule 9.2(a) provides that an ETP Holder, before recommending a transaction to a customer, must have reasonable grounds to believe that the recommendation is suitable for the customer based on any facts disclosed by the customer as to his other security holdings and as to his financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holder shall make reasonable efforts to obtain information concerning the customer’s financial status, tax status, investment objectives, and any other information that they believe would be useful to make a recommendation. *See* Securities Exchange Act Release No. 54045 (June 26, 2006), 71 FR 37971 (July 3, 2006) (SR-PCX-2005-115).

The Bulletin will also disclose that the NAV for the Units will be calculated after 4:00 p.m. ET each trading day.

(2) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Section 6(b)(5),¹⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

In addition, the Exchange believes that the proposed rule change is consistent with Rule 12f-5¹⁶ under the Act because it deems the Units to be equity securities, thus rendering the Units subject to the Exchange's rules governing the trading of equity securities.

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.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ 17 CFR 240.12f-5.

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 Exchange consents, the Commission will:

- (A) by order approve such 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 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-2007-45 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 20549-1090.

All submissions should refer to File No. SR-NYSEArca-2007-45. 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 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 No. SR-NYSEArca-2007-45 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.¹⁷

Florence E. Harmon
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).