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February 26, 2008

via email to rule-comments@sec.gov

Nancy M. Morris
Secretary
Securities and Exchange Commission
Station Place, 100 F Street, NE
Washington, DC 20549-1090

**Re: File No. 4-534 - Amendment 1 to Proposed National Market System
Plan for the Selection and Reservation of Securities Symbols**

Dear Ms. Morris:

The NASDAQ Stock Market LLC (“Nasdaq”) welcomes the opportunity to submit comments¹ in connection with the above amendment to the proposed joint industry plan of the American Stock Exchange LLC, Chicago Board Options Exchange, Incorporated, International Securities Exchange LLC, New York Stock Exchange LLC, and NYSE Arca, Inc., for the selection and reservation of securities symbols (“NYSE Plan Amendment” or “Amendment”). While Nasdaq does not object to those provisions of the Amendment that add new potential plan participants, overall, the Amendment perpetuates the anti-competitive use of trading symbols and should, like the NYSE Three-Character Plan itself, be rejected.

As outlined in Nasdaq’s previous comments, the NYSE’s Three-Character Plan, seeks to inhibit competition for company listings by unfairly restricting both the assignment and portability of issuer trading symbols. Through a combination of excessive perpetual and limited-time symbol reservations, veto rights over one character symbol portability, and a subsidized cost structure, the NYSE Three-Character Plan places the interests of favored exchanges over that of issuers and the investing public. The NYSE Plan Amendment does nothing to rectify the manifest deficiencies of Three-Character Plan, and instead merely recognizes prior Commission determinations related

¹ In addition, Nasdaq requests that the Commission incorporate by reference all previous comments submitted by Nasdaq in connection with the Commission’s consideration of the proposed national market system plans for the selection and reservation of securities symbols (SEC File Nos. 4-533 and 4-534) as well as SR-NASDAQ-2007-031 regarding the portability of three-character trading symbols.

to the portability of three-character trading symbols and seeks the expansion of the plan's anticompetitive provisions to options symbols.

In its notice publishing the NYSE Plan Amendment, the Commission requested comment on several issues. Nasdaq's response to each is provided below:

1) What is the number of symbols a self-regulatory organization ("SRO") should be permitted to reserve as perpetual reservations or limited-time reservations?

Nasdaq Response: As noted in Nasdaq's previous comments, the number of symbols that can be reserved under the Three-Character Plan is huge, and totally out of proportion to historic symbol usage. This problem is exacerbated by the proposed entry of other plan participants as set forth in the Amendment. Conversely, the Five-Character Plan provides a reasonably limited number of perpetual reservations (20) and adopts an "as-needed" approach to all other symbols reservations and assignments that ensures that a sufficiently diverse and desirable universe of symbols remains equally available to all markets and the issuers they compete to list.

2) On what, if any, basis, would it be appropriate for certain SROs to receive more reservations than other SROs. For example, should there be a distinction in the number of limited-time reservations that non-primary listing markets receive? If so, what factors should be taken into account in allotting the number of limited-time reservations? Finally, the Commission requests commenters' views on how these amended provisions would affect new listing markets.

Nasdaq Response: Nasdaq believes there is no reasonable basis upon which to discriminate among SROs as to how many symbol reservations each may receive under a national market system plan. In Nasdaq's view, such discrimination is not compelled by market needs and would be inconsistent with the equal regulation and pro-competition mandates of the Exchange Act. This is particularly true in the current environment where the need for massive numbers of "limited-time" or perpetual reservations has not been demonstrated. Instead, the Commission should seek to implement a uniform symbol reservation plan that aligns the number of symbol reservations with a market's actual immediate need for them, and not rely instead on highly subjective guesswork as to how many symbols a particular SRO may or may not need in the future. As the Commission's request for comment itself recognizes, the more symbols that are reserved by existing markets, either in perpetuity or for a limited-time, the fewer desirable symbols are available for new listing markets to offer their potential issuers. Given the competitive impacts, the Commission should reject any symbol reservation and assignment approach that seeks to treat some SROs as more deserving of access to unused symbols than others.

3) The Commission also requests comment on the change in Amendment No. 1 regarding the portability of a three-character symbol to a new listing market when an issuer transfers its listing. The SEC seeks comment on if either the former listing market or the new listing market should retain the right to use the issuer's symbol? How would awarding the rights to the symbol to the former listing market affect competition? How would awarding such listing rights to the new listing market affect competition? Finally, the Commission requests comment on

whether one- and two-character symbols should be subject to the same portability process as three-character symbols.

Nasdaq Response: In the case of an issuer moving its listing to another market, Nasdaq believes that the new listing market should take over the right to manage the transferring issuer's trading symbol, whatever its length. Such an approach enhances the competition among markets competing for listings by allowing an issuer's management to make a decision about its trading venue based exclusively on a market's quality and services, and not on whether or not the issuer will have to undertake the burdens of obtaining a new symbol. Allowing the full portability of all symbols will also reduce the potential for investor confusion by allowing symbols already associated with a particular issue to remain in use. These investor protection and competitive considerations apply to all issuers and markets, and there is no basis to arbitrarily allow portability of symbols of a certain length but not for others. Trading symbols are a public trust, and the public interest is served by a continued relationship between a particular issuer and its symbol, as well as by an inter-market competitive listing environment that focuses on market performance - not special access to public market symbology.

Surely, these interests outweigh the desires of a small privileged class of markets that, while braying about their alleged superiority, nevertheless feel the need to keep the symbol removal club behind door just in case an issuer should have the temerity to disagree and want to move its listing to another market.

4) Should the symbology plan be expanded to cover options?

Nasdaq Response: Nasdaq does not oppose a fair and transparent symbol reservation and assignment plan to cover options. However, if such an expansion would result in a delay in the approval of a symbology plan for equities, Nasdaq believes that any such options-related plan should be separately considered.

5) Should the symbology plan cover root symbols only or also symbol suffixes?

Nasdaq Response: Nasdaq believes that the current symbology plan should cover only root symbols, not symbol suffixes. The use of symbol suffixes is unique to individual markets. Moreover, symbol suffixes do not impact inter-market competition, or play a role in minimizing or aggravating investor confusion, to any degree comparable to root symbology. As such, Nasdaq believes it would be inappropriate to introduce issues related to symbol suffixes into an already multi-year process related to the creation of a symbology plan for root symbols.

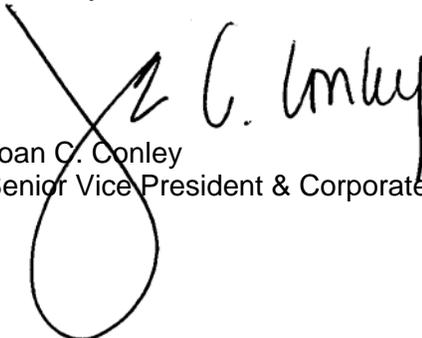
In closing, Nasdaq would also like to respond to some of the comments made by NYSE in its letter dated January 15, 2008. Specifically, NYSE alleges that our prior comment letter fails to provide any evidence to justify the assertion that current symbol practices have hurt Nasdaq competitively. In fact, the record includes exactly such evidence coming from the only commenter that has had to face the prospect of changing markets and losing the trading symbol with which it had become associated. In an August 10, 2007, letter sent on behalf of E*Trade Financial, Arlen Gelbard notes that the prospect of changing its trading symbol was "a negative factor considered in our analysis regarding whether to transfer the listing, simply because of the confusion it would cause our many small investors who had come to identify us with this symbol." In addition,

the record includes submissions from the Issuer Advisory Group and the American Shareholders Association, each of which conclude, based on their experience representing publicly-traded companies and shareholders, respectively, that prohibiting issuers from transferring symbols between markets, no matter what their length, is anti-competitive.

Further, NYSE's arguments that allowing Nasdaq to list companies with three or fewer character symbols would "dilute the NYSE brand" and "remove from the marketplace the transparency inherent in the ability to differentiate a security's listing market at a quick glance" is completely unsupportable given that both today, and under the Three-Character Plan, an investor would have no way of knowing whether a security is listed on the NYSE or on the American Stock Exchange, or on the Boston Stock Exchange, or on the Chicago Stock Exchange, or on the International Stock Exchange, or on the National Stock Exchange, or on NYSE Arca, or on the Philadelphia Stock Exchange, and that all these markets trade, on an unlisted trading basis, securities listed on other markets.

We thank the Commission for providing this opportunity to submit our views on this important matter.

Sincerely,



Joan C. Conley
Senior Vice President & Corporate Secretary