



June 3, 2013

By Electronic Mail (rule-comments@sec.gov)

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File No. SR-NYSE-2013-36, Self-Regulatory Organizations; New York Stock Exchange; Proposal to amend Rule 1000 to revise the manner by which NYSE will phase out the functionality associated with liquidity replenishment points in connection with the implementation of the Limit Up Limit Down Plan

The Securities Industry and Financial Markets Association (“SIFMA”)¹ submits this letter to the Securities and Exchange Commission (“Commission”) in connection with the above-referenced proposed rule change. The New York Stock Exchange (“NYSE”) has proposed to reinstate its liquidity replenishment point (“LRP”) functionality temporarily until the implementation of Phase II of the National Market System Plan to address Extraordinary Market Volatility, also known as the Limit Up – Limit Down Plan (the “Plan”). NYSE eliminated the LRP functionality in connection with the implementation of Phase I of the Plan.² During Phase I, however, the Price Bands set forth under the plan are not in effect between 9:30-9:45 a.m. Eastern Time and between 3:30-4:00 p.m. Eastern Time. Recently, there have been several occurrences of sharp price declines in stocks during the open and close periods when the Price Bands are not in effect. SIFMA believes that allowing NYSE to reinstate the LRP functionality will help reduce the instances of sharp price movements until Phase II of the Plan, when the Price Bands will be in effect during the entire trading day.

SIFMA recognizes that it has previously stated that there exists the potential for market complexity if multiple exchange-specific volatility mechanisms are put into effect.³ However,

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² See Securities Exchange Act Release No. 69295 (April 4, 2013), 78 FR 21457 (April 10, 2013) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending NYSE Rule 1000).

³ See Letter from Ann L. Vlcek, Managing Director and Associated General Counsel, SIFMA, to Elizabeth M. Murphy, Secretary, SEC (June 22, 2011) (“Proposed Limit Up-Limit Down Plan Letter”).

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SIFMA believes that, during Phase I of the Plan, any concerns about market complexity would be outweighed by the fact that reinstating the LRP functionality could reduce the likelihood of sharp price movements during the open and close periods. Additionally, SIFMA notes that while the instances of sharp volatility have been isolated thus far, upcoming market events, such as the reconstitution of the Russell family of indexes⁴, could result in more widespread volatility, especially during the open and close periods.

SIFMA believes that, after Phase II of the Plan is implemented, any proposals for additional volatility mechanisms should be considered on a market-wide basis.

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SIFMA greatly appreciates the Commission's consideration of the issues discussed above in connection with NYSE's LRP functionality. SIFMA would be pleased to discuss these comments in greater detail with the Commission and the Staff. If you have any questions, please contact me (at [REDACTED]) or Timothy Cummings (at [REDACTED]).

Sincerely,



Theodore R. Lazo
Managing Director and
Associate General Counsel
SIFMA

CC: Mary Jo White, Chairman
Elisse B. Walter, Commissioner
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⁴ The reconstitution of the Russell family of indexes is scheduled to take place on June 28, 2013. See <http://www.russell.com/indexes/tools-resources/reconstitution.asp>