

VIA EMAIL AND FEDERAL EXPRESS

December 20, 2010

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: **File Number SR-NYSEArca-2010-90**

Dear Ms. Murphy:

NYSE Euronext, on behalf of NYSE Arca Inc. (“NYSE Arca”), submits this letter in response to the comment letters on our proposal SR-NYSEArca-2010-90 (“2010-90”), which was filed with the Securities and Exchange Commission (“Commission”) on October 21, 2010. The Commission has received comment letters on our proposal from the Chicago Board Options Exchange, Inc. (“CBOE”), and LiquidPoint, LLC (“LiquidPoint”).

The proposed rule change would allow a Floor Broker to request, after revealing the size of the order to be crossed, a final quote for a cross from the Trading Crowd. If the cross were to take place on the price provided by the Crowd, the Floor Broker would be obligated to trade with that interest prior to crossing the orders. Regardless of whether the Trading Crowd participated in the order, the cross would be required to be within the National Best Bid/Offer, and also would be obligated to satisfy any bids or offers in the Consolidated Book equal to or better than the crossing price.

We submitted and withdrew an earlier version of the proposal, under which Floor Brokers would not have been required to reveal the size of the order to be crossed. That proposal attracted comments letters as well, including a comment letter from CBOE. We modified the proposal specifically in response to the previous comments to add the obligation on Floor Brokers to reveal the size of the orders to be crossed before requesting a final quote.

Despite our earlier clarifications in response to commenters’ concerns, CBOE continues to object to the proposal. In particular, CBOE claims that market makers effectively would be excluded from participating in any part of a transaction resulting from a request for a final quote. This claim is misleading, attempts to conflate our proposal with other filings, and has no basis in fact. NYSE Arca fully recognizes that its own market is dependent on the quality and liquidity of the markets provided by our market maker community. In return, market makers must compete for order flow through providing competitive quotes. CBOE refuses to recognize or acknowledge that our proposal affords market makers who respond with

competitive quotes the opportunity to provide price discovery and participate in a Floor Broker cross effected under the terms of the proposed rule change.

In its letter, LiquidPoint erred in its summary of our proposal, and thus erred in its conclusion about the proposal's impact. Contrary to LiquidPoint's contention otherwise, Floor Brokers would be required to disclose the size of the potential cross before requesting a final quote. The LiquidPoint letter, however, does raise important issues on the proposal by the International Securities Exchange, Inc. ("ISE") to adopt a qualified contingent cross order ("QCC"), and we urge the Commission to take those arguments into account in its consideration of ISE's proposal. In this regard, our proposal is materially different from the ISE's QCC proposal because it allows the Trading Crowd, including market makers, the opportunity to participate in a cross effected under the terms of the proposed rule change.

Based on the foregoing, and as provided under the terms of our proposed rule change, we believe our proposal is consistent with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder applicable to NYSE Arca. Therefore, the Commission should approve the proposed rule change.

Sincerely,

cc: Heather Seidel
John Roeser