

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54837; File No. SR-NYSE-2006-102)

November 29, 2006

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Inclusion of an Additional Security in the Pilot to Put Into Operation Certain Rule Changes Pending before the Securities and Exchange Commission to Coincide with the Exchange's Implementation of Phase 3 of the NYSE HYBRID MARKETSM and the Substitution of the Name and Trading Symbol of a Security Operating in the Pilot

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 November 28, 2006, the New York Stock Exchange LLC ("NYSE" or "Exchange") 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 substantially prepared by the Exchange. NYSE filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal 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 is proposing to include an additional security to participate in the Exchange's current pilot ("Pilot") program which puts into operation certain rule changes pending before the Commission to coincide with the Exchange's implementation of NYSE

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

HYBRID MARKETSM (“Hybrid Market”)⁵ Phase 3. The Exchange further seeks to change the name of a security currently operating under the Pilot and substitute the name and trading symbol of its successor entity. The relevant securities are identified in Exhibit 3 to the filing, which is available on the NYSE’s Web site (www.nyse.com), at the principal office of the NYSE, 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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for 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

On October 5, 2006, the Commission approved an Exchange Pilot⁶ to, among other things, put into operation certain proposed modifications to Exchange Rules that are currently pending⁷ before the Commission to coincide with the Exchange’s implementation of the Hybrid

⁵ The Hybrid Market was approved on March 22, 2006. See Securities Exchange Act Release No. 53539 (March 22, 2006), 71 FR 16353 (March 31, 2006).

⁶ See Securities Exchange Act Release Nos. 54578, 71 FR 60216 (October 12, 2006) and 54610 (October 16, 2006), 71 FR 62142 (October 23, 2006).

⁷ See Securities Exchange Act Release Nos. 54520 (September 27, 2006), 71 FR 57590 (September 29, 2006) (SR-NYSE-2006-65 and the Amendments thereto proposing to amend several Exchange Rules to clarify certain definitions and systemic processes (“Omnibus Filing”)); 54504 (September 26, 2006), 71 FR 57011 (September 28, 2006) (SR-NYSE 2006-76 proposing to amend the specialist stabilization requirements set forth in Exchange Rule 104.10 (“Stabilization Filing”)); and SR-NYSE-2006-73 (filed on September 13, 2006) and Amendment No. 2 thereto (filed on October 13, 2006) (proposing to amend Exchange Rule 127 which governs the execution of a block cross

Market Phase 3. The Pilot commenced on October 6, 2006⁸ and is scheduled to terminate on the close of business November 30, 2006⁹ or the earlier of Commission approval of the Omnibus Filing,¹⁰ Stabilization Filing and the Block Cross Filing while the Commission continues to review the aforementioned pending filings. The Pilot applies to a group of securities, known as Phase 3 Pilot securities (“Pilot securities”).¹¹

The Exchange is currently in the process of phasing in the securities operating under the Pilot. As expected, the Pilot is operating with minimal problems and the benefits are proving invaluable. The Pilot is providing the Exchange with the opportunity to identify and address any system problems. Moreover, the Exchange has the ability to identify and incorporate beneficial system changes that become apparent as a result of usage in real time and under real market conditions.

transaction at a price outside the prevailing NYSE quotation (“Block Cross Filing”). The Commission notes that it approved the Omnibus Filing on November 27, 2006. See Securities Exchange Act Release No. 54820.

⁸ The changes related to stop orders and stop limit orders proposed in the Omnibus Filing were implemented on October 16, 2006 in order to give customers and member organizations sufficient time to make any changes necessary as a result of the elimination of stop limit orders.

⁹ On October 31, 2006 the Exchange filed to extend the Pilot until November 30, 2006. See Securities Exchange Act Release No. 54675 (October 31, 2006), 71 FR 65019 (November 6, 2006). The extension made clear that approval of any one of the pending filings would act to terminate the operation of the rules associated with the approved filing from the Pilot. Accordingly, the changes approved in the Omnibus Filing are no longer part of the Pilot. The Pilot shall not terminate in its entirety unless and until all pending filings are approved or November 30, 2006.

¹⁰ See note 7 supra.

¹¹ Phase 3 Pilot Securities are posted on the Exchange’s Web site. The securities posted on the Exchange’s Web site include securities added to operate under the Pilot pursuant to Securities Exchange Act Release No. 54685 (November 1, 2006), 71 FR 65559 (November 8, 2006).

The Exchange further has the ability to have real time user interface which is proving very useful to the Exchange. In addition to its usefulness to the Exchange, the Pilot is providing the current users with essential practical experience with the new systems and processes in a well-modulated way, in real time and under real market conditions that cannot be completely replicated in the mock-trading environment.

As of Tuesday November 28, 2006, the Exchange will complete the phasing in of all Banc of America Specialists allocated securities approved to operate under the Pilot. In order to continue increasing the users that may benefit from the enhanced educational and supervisory training experience that the Pilot provides, the Exchange seeks through this filing to include an additional security handled by Banc of America Specialists for participation in the Pilot. Specifically, the Exchange seeks to include the security traded under the symbol GE (General Electric Company).

The Exchange believes that the addition of this security will continue to provide an increased number of individual specialists with the educational opportunity of real time experience under real market conditions that cannot be completely replicated in the mock-trading environment. It will further provide an increased number of the firm's supervisory personnel with additional opportunities for supervisory training in real time and under real market conditions.

In addition to including GE in the Pilot, the Exchange seeks to substitute the trading symbol for Lucent Technologies which is currently operating in the Pilot under the trading symbol LU with the symbol ALU to reflect the December 1, 2006 business combination of Lucent Technologies with Alcatel. The Exchange therefore seeks to change the trading symbol LU to ALU in order to accurately reflect the successor entity which is now Alcatel-Lucent.

Accordingly, the Exchange believes that the inclusion of this additional security will only further the Exchange's ability to identify and address any system problems and to identify and incorporate beneficial system changes while providing the new users with real time education.

The securities proposed for inclusion in the Pilot are identified in Exhibit 3 to the filing.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirement under Section 6(b)(5)¹² of the Act¹³ that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1)¹⁴ in that it seeks to assure economically efficient execution of securities transactions.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78a.

¹⁴ 15 U.S.C. 78k-1(a)(1).

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

The proposed rule change is filed pursuant to Section 19(b)(3)(A)¹⁵ of the Act and Rule 19b-4(f)(6)¹⁶ thereunder.

This proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. Accordingly, the Exchange believes that this amendment is non-controversial.

In connection with the filing being made under Section 19(b)(3)(A) of the Act, the Exchange requests that the Commission waive the 30-day delayed operative date and five-day pre-filing period of Rule 19b-4(f)(6)(iii).

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii)¹⁷ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay and designate the proposed rule change immediately operative upon filing. The Commission is exercising authority to waive the five-day pre-filing requirement and believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Specifically, the Commission believes that the proposal could allow Banc of America Specialists to provide more of its personnel with the educational opportunity of real-time experience with real market conditions under the Pilot. In addition, the Commission believes that replacing LU with ALU is appropriate so that the successor security to LU would

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6)(iii).

continue to trade in a similar manner on the Exchange. Accordingly, the Commission designates the proposal to be effective and operative upon filing with the Commission.¹⁸

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

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 Number SR-NYSE-2006-102 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 Number SR-NYSE-2006-102. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies

¹⁸ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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 Number SR-NYSE-2006-102 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.¹⁹

Nancy M. Morris
Secretary

¹⁹ 17 CFR 200.30-3(a)(12).