

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55698; File No. SR-NYSE-2007-44)

May 2, 2007

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish Fees for NYSE Bonds

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 1, 2007, 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. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders it 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 proposes to eliminate certain fees applicable to NYSE BondsSM (“NYSE Bonds”) and adopt a new transaction fee of \$0.50 per bond for executions on NYSE Bonds that remove liquidity from NYSE Bonds. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and <http://www.nyse.com>.

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)(2).

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 NYSE 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 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 Monday, April 22, 2007, the Exchange implemented the operation of its NYSE Bond platform. Only NYSE members and member organizations that have executed and delivered to the Exchange the NYSE Bonds Service and Access Agreement, including member organizations that were subscribers to the Automated Bond System ("ABS"), are eligible to access NYSE Bonds ("Eligible Members").

Through this filing, the Exchange proposes to eliminate certain fees associated with the NYSE Bonds platform.⁵ Specifically, the Exchange proposes to eliminate its current \$15,000 annual subscription charge, the \$5,000 additional display charge, the current usage fees (\$0.05, \$0.10, \$0.20, and \$0.30), the \$0.10 Fixed Income Public Agency Transaction fee, and the \$5,000 computer-to-computer service fee effective on May 1, 2007.

⁵ The current fees applicable to the NYSE Bonds system were carried over from ABS. See Securities Exchange Act Release No. 55496 (March 20, 2007), 72 FR 14631 (March 28, 2007) (SR-NYSE-2006-37).

The current fee structure for NYSE Bonds is a tier-based structure with a range from \$0.05 to \$0.30 per order entered, depending on the amount of fixed income orders submitted by the member organization within the calendar year. The Exchange further proposes to amend the current transaction fees to charge a new transaction fee of \$0.50 per bond for executions on NYSE Bonds that remove liquidity from the NYSE Bonds book. To facilitate the move to the new fee structure, the Exchange intends to waive the assessment of any transaction fees on NYSE Bonds for fixed income orders executed through the system for the period of April 23, 2007 through April 30, 2007.

Beginning Tuesday, May 1, 2007, the Exchange will implement a fee of \$5,000 per year to be assessed to Eligible Members that utilize an Exchange-sponsored fixed income order management and entry (“Graphic User Interface” or “GUI”) system for accessing NYSE Bonds. Eligible Members that do not utilize the GUI will not be assessed the annual fee.

Finally, the Exchange further seeks to remove the current cap on the total fees incurred by member organizations that participate on or submit orders to NYSE Bonds. The current cap is \$20,000 per year per member organization; however, the Exchange may seek to impose a cap of such fees at a later date.

The Exchange believes that the new transaction fees that are scheduled to become operative on May 1, 2007 will bring the NYSE Bonds platform more in line with the current fixed income market.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁶ in general and furthers the objectives of Section 6(b)(4)⁷ in particular in that it is intended to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

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.

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

The foregoing proposed rule change is subject to Section 19(b)(3)(A)(ii) of the Act⁸ and subparagraph (f)(2) of Rule 19b-4 thereunder⁹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by a self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. 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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2007-44 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-2007-44. 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 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 will also be available for inspection and copying at the principal office of the NYSE. 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-2007-44 and should be submitted on or before [insert date 21 days after publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Florence E. Harmon
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).