

This proposal would create a new order type, the PL Order. The Commission believes that the proposal is reasonably designed to permit passive interaction with incoming orders while protecting displayed orders in the NYSE Arca Book that are priced at or better than the PL Order. In the Vanguard Letter, the commenter was concerned that the proposed PL Order would create a disincentive to displaying limit orders. The Commission emphasizes the fact that a PL Order would never execute ahead of a displayed order that is at the same or a better price. As noted above, PL Orders would be executed in the Working Order Process¹⁹ after all other orders, including reserve orders and the display portion of discretionary orders at a particular price level.²⁰

The Commission believes that the ability of LMMs appointed in primary listings on the Exchange to use the PL Order exclusively is consistent with the requirements of the Act. The Commission notes that NYSE specialists similarly have exclusive ability to provide price improvement to incoming orders on its Hybrid system only if the specialists are meaningfully represented in the BBO and provide a minimum amount of price improvement.²¹ LMMs appointed in primary listings would be able to use the PL Order only if (1) the NYSE Arca Book is at the NBBO, the order is priced better than the Exchange's BBO by the Minimum Price Variation ("MPV"), and the LMM is quoting a certain minimum amount in proximity to the Exchange's BBO²² or (2) the NYSE Arca Book is not at the NBBO, the order is priced better than the Exchange's BBO by the MPV, and the incoming order is not designated an inter-market sweep order.²³ The Commission believes that permitting Users of the PL Order to provide price improvement by at least the MPV could increase the quality of NYSE Arca's market, and that the condition that LMMs must quote a minimum amount in proximity to the Exchange's BBO

¹⁹ See NYSE Arca Rule 7.37(b)(2).

²⁰ As also noted above, PL Orders would, however, take precedence over undisplayed discretionary order interest.

²¹ See NYSE Rule 104.

²² If the NYSE Arca Book is at the NBBO, the LMM must have a displayed bid (offer) that is either equal to the NYSE Arca Marketplace BBO with a quoted size at least as large as the total size of the incoming marketable sell (buy) order against which the PL Order would trade or \$0.01 below (above) the NYSE Arca Marketplace BBO with a quoted size at least twice as large as the total size of the incoming marketable sell (buy) order against which the PL Order would trade.

²³ See 17 CFR 242.600(b)(30).

might enhance depth and liquidity at or near the Exchange's BBO.

VI. Accelerated Approval of Amendment Nos. 3 and 4

The Commission finds good cause for approving Amendment Nos. 3 and 4 to the proposed rule change prior to the thirtieth day after the amendment is published for comment in the **Federal Register** pursuant to Section 19(b)(2) of the Act.²⁴ In Amendment No. 3, the Exchange proposed that in issues where NYSE Arca Marketplace is the primary listing market and there is an LMM, the PL Order would be available only to the LMM registered in the primary listing. The Exchange also proposed that LMMs would be held to certain performance obligations related to quote size and quote spread. In Amendment No. 4, the Exchange proposed that LMMs who are registered in the primary listing of an issue on the NYSE Arca Marketplace will have exclusive access to PL Orders only if such LMMs comply with certain quoting and price improvement requirements.

The Commission believes that limiting use of the PL Order to LMMs registered in a primary listing raises no novel issue of regulatory concern because, as noted above, the Commission recently approved a similar functionality for New York Stock Exchange ("NYSE") specialists.²⁵ Under NYSE Hybrid Rules, NYSE specialists may employ algorithms which generate trading messages that provide price improvement to incoming orders only if the specialist is represented in a meaningful amount in the NYSE's BBO.²⁶ Accordingly, the Commission finds good cause to accelerate approval of Amendment Nos. 3 and 4.

VII. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁷ that the proposed rule change (SR-PCX-2005-53), as amended by Amendment Nos. 1 and 2, be, and it hereby is, approved, and that Amendment Nos. 3 and 4 are approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁸

Nancy M. Morris,
Secretary.

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²⁴ 15 U.S.C. 78s(b)(2).

²⁵ See Securities Exchange Act Release No. 53539 (March 22, 2006), 71 FR 16353 (March 31, 2006) (SR-NYSE-2004-05).

²⁶ See NYSE Rule 104.

²⁷ 15 U.S.C. 78s(b)(2).

²⁸ 17 CFR 200.30-3(a)(12).

DEPARTMENT OF STATE

[Public Notice: 5563]

U.S. Department of State Advisory Committee on Private International Law: Notice of Hearing

The U.S. Department of State Advisory Committee on Private International Law will hold a meeting on October 19th and 20th, 2006 at the Georgetown University Law Center, 600 New Jersey Avenue, NW., Washington, DC. Thursday's meeting will be held on the 12th floor of the Gewirz Building and Friday's meeting will be in Room 200 of the McDonough Building. The meetings will start both days at 9 a.m. and will end on Thursday, October 19th at 5 p.m. and on Friday, October 20th at 3 p.m. The meetings will discuss the general "state of the world" developments in the areas of investment securities law, computer-age revolution, international family law and the emerging family process, the process of new convention on the child support, judicial assistance and arbitration, e-apostilles and reports on other Private International Law projects.

The meeting is open to the public up to the capacity of the meeting room. Interested persons are invited to attend and to express their views. Persons who wish to have their view considered are encouraged, but not required, to submit written comments in advance. Comments should be sent electronically to *SmeltzerTK@State.gov*. Anyone planning to attend this meeting should provide their name, affiliation and contact information in advance to Trish Smeltzer or Renetta Davis at 202-776-8420 or by e-mail to *DavisRX@state.gov*.

Dated: September 26, 2006.

Harold S. Burman,
Executive Director, Department of State.
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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Availability of Draft Advisory Circulars, Other Policy Documents and Proposed Technical Standard Orders

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: This is a recurring Notice of Availability, and request for comments, on draft advisory circulars (ACs), other policy documents, and proposed technical standard orders (TSOs) currently offered by the Aircraft Certification Service.