

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 Nasdaq. 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 publicly available. All submissions should refer to File Number SR-NASDAQ-2006-064 and should be submitted on or before April 11, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55461; File No. SR-NASDAQ-2007-017]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Pricing for Nasdaq Members Using the Nasdaq Market Center

March 13, 2007.

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 February 28, 2007, The NASDAQ Stock Market LLC ("Nasdaq") 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 Nasdaq. Nasdaq has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) 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

Nasdaq proposes to modify the pricing for Nasdaq members using the

Nasdaq Market Center. Nasdaq will implement this rule change on March 1, 2007. The text of the proposed rule change is available at Nasdaq, the Commission's Public Reference Room, and <http://www.nasdaq.com>.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq 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 text of these statements may be examined at the places specified in Item IV below. Nasdaq 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

This filing modifies the pricing schedule for trading securities through the Nasdaq Market Center. The changes reflect (i) The increase in volumes traded through the Nasdaq Market Center as a result of Nasdaq beginning to trade non-Nasdaq exchange-listed securities through the Nasdaq Market Center as of February 12, 2007, and (ii) responses to the competitive environment in which Nasdaq operates. Specifically, because much of the volume in non-Nasdaq securities that had formerly traded through the NASD ITS/CAES System has moved to the Nasdaq Market Center, the proposed rule change deletes language under which Nasdaq considered a member's volume in ITS/CAES in determining its fees for using the Nasdaq Market Center. Similarly, Nasdaq is modifying its existing charge for reporting transactions executed through the Nasdaq Market Center to reflect the increase in the volume of the Nasdaq Market Center occasioned by its beginning to trade non-Nasdaq securities. Currently, the \$0.029 per side fee applies to members with an average daily volume during a month of less than 10,000 transaction reports; the threshold is being raised to 15,000 transaction reports.

Nasdaq is also modifying its fees for routing to the New York Stock Exchange LLC ("NYSE") to reflect an NYSE proposal to charge \$0.0025 per share for routing orders to other markets.⁵ When

Nasdaq routes an order to NYSE and is charged this fee by NYSE, Nasdaq proposes to pass the fee on to its members on a direct basis. Finally, in order to ensure that Nasdaq's overall fees remain competitive, Nasdaq is lowering its lowest fee for removing liquidity and/or routing from \$0.0027 per share executed to \$0.0026. The fee is charged to members with an average daily volume through the Nasdaq Market Center in all securities during the month of (i) More than 35 million shares of liquidity provided, and (ii) more than 55 million shares of liquidity accessed and/or routed; or members with an average daily volume through the Nasdaq Market Center in all securities during the month of (i) More than 25 million shares of liquidity provided, and (ii) more than 65 million shares of liquidity accessed and/or routed. Members with lower volumes pay \$0.0028 or \$0.003 per share executed, depending on their volume levels.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and with Sections 6(b)(4) of the Act,⁷ in particular, in that the proposal provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using any facility or system which Nasdaq operates or controls. Nasdaq believes that the fees reflect the fact that Nasdaq has begun to trade non-Nasdaq exchange-listed securities through the Nasdaq Market Center, and also reflect fee changes by Nasdaq's competitors and the overall competitive environment in which Nasdaq operates.

B. Self-Regulatory Organization's Statement on Burden on Competition

Nasdaq does not believe that the proposed rule change will result in 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 were neither solicited nor received.

⁶ 17 CFR 200.30-3(a)(12).

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).

⁵ See File No. SR-NYSE-2007-18 (February 22, 2007).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

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

The foregoing rule change has become effective pursuant 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 the 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 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-NASDAQ-2007-017 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-NASDAQ-2007-017. 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 the filing also will be available for inspection and copying at the principal office of Nasdaq. 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-NASDAQ-2007-017 and should be submitted on or before April 11, 2007.

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

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55478; File No. SR-NSCC-2007-03]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule To Make Technical and Updating Changes to Its Reconfirmation and Pricing Service

March 15, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 26, 2007, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by NSCC. NSCC filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act² and Rule 19b-4(f)(4)³ thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the rule change is to make technical and updating changes to

its Reconfirmation and Pricing Service ("RECAPS").

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC 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 text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.⁴

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

RECAPS is a mandated service for all full-service NSCC members that reconfirms and reprices members' fails in RECAP-eligible securities that represent positions that are currently failing outside of NSCC's Continuous Net Settlement ("CNS") system. It thus provides a mechanism for reducing outstanding non-CNS member fails. The proposed revisions to the procedures reflect enhancements to the service, confirming processing changes with current processes, and deletion of obsolete reports.

RECAPS is currently offered quarterly. The processing cycle begins on a Tuesday and ends with successfully matched trades settling the following Tuesday. On the first Tuesday of the processing cycle, members submit CUSIP files for fails designated for processing through the service. The data on these files is used to obtain current prices for the designated securities. On Friday, members submit eligible aged fails to NSCC until a designated cut-off time. On Saturday, NSCC distributes RECAPS contract sheets, RECAPS CNS and Non-CNS Compared Summaries, Balance Orders (for matched transactions in Balance Order securities), and RECAPS CNS Projection Reports and Advisory Listings. On Monday, members take action on all unmatched items. On Tuesday, the final day of the RECAPS cycle, all matched fails are scheduled to settle.

The process enhancements eliminate the need for submission of CUSIP files on Tuesday since current price information can be obtained on Friday when members submit their fails for reconfirming and pricing. In addition,

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(iii).

³ 17 CFR 240.19b-4(f)(4).

⁴ The Commission has modified the text of the summaries prepared by NSCC.

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).