Organization of Independent Floor Brokers

11 Wall Street
N.Y., N.Y. 10005

July 20, 2006

VIA E-MAIL and FEDERAL EXPRESS

Ms. Nancy H. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9309

Re: SR-NYSE-2006-46 (Proposed NYSE Transaction Pricing Schedule)

Dear Ms. Morris.

The OIFB represents over 450 independent brokers on the trading floor of the NYSE. We are submitting this comment letter to the Commission in the belief that it represents the overwhelming consensus opinion of our membership in response to the proposed rule change regarding Equity Transaction Fee revisions submitted by the NYSE. It is our belief that the proposed rule change would have an adverse effect on the businesses of a majority of our independent members and, therefore, a negative impact on the quality of the NYSE marketplace and the investing public it serves.

It is our strong opinion, despite the need for the NYSE to adjust its transactional fee structure to adapt to an ever-changing business environment, that the current proposal is flawed and falls short of meeting the simple standard defined by the NYSE itself. The NYSE states that it believes this "simplified transaction fee structure" will make fees more transparent and will distribute costs more equitably across their customer base. [1] The only transparency we see is how inequitable the NYSE proposal is. Many of our members will experience greatly increased transaction costs. Some are seeing an increase in excess of 250% in their projected fees. Many have reported average increases of 100%. Some firms will experience slight decreases in projected fees in this pricing structure, and larger bulge bracket firms will see their fee increase capped at a maximum of 25%. The disproportionate impact and burden of the proposed fee increase begs the question or more, "Where is the equitable distribution?" The current NYSE proposal fails to meet any reasonable standard of fairness and is quite simply, unacceptable.

The Officers and Directors of the OIFB have had numerous meetings with Exchange management regarding this specific issue. Our organization has worked closely with the NYSE in an attempt to construct an effective, clear and equitable solution to the transaction fee issue. On June 30, 2005,

[1] NYSE LLC Rule Filing July 13, 2006 Section A, Page 2

the OIFB submitted a formal response to a NYSE's original, proposed transaction fee increase. In that response, the OIFB proffered a number of thoughtful alternatives to the Exchange's "simple" flat rate proposal. The OIFB also expressed its concern that this initial proposal would have a grave effect upon the independent community. Since then, many discussions between NYSE management and the OIFB have occurred. Despite the seeming receptiveness of NYSE management to the community's suggested changes, the current NYSE transaction fee proposal before the Commission is substantively unchanged from that first informally proposed version. The clear implication is that the NYSE's original proposal was merely "shelved" in anticipation of the transformation from a membership organization to a public for profit entity. The NYSE, in its filing, alludes to a membership vote in favor of abolishing the two percent cap on fees[2] but this should in no way suggest that membership would approve of the current proposal. It is our opinion that, were the Exchange still a membership organization, this proposed fee structure would not have been approved by the membership.

The OIFB thanks the Commission for this opportunity to offer its comments on this important issue. We respectfully urge the Commission to subject the current NYSE rule filing to the public notice and comment process of Section 19(b) (1) of the Exchange Act.

Respectfully submitted,

Kenneth J. Polcari President	Brian D. McCarthy Treasurer
Michael J. Rutigliano Vice President	Jennifer I. Lee Secretary

cc: Mr. Robert L.D. Colby, Acting Director
Ms. Heather Seidel, Senior Special Counsel

[2] NYSE LLC Rule Filing July 13, 2006. Section A, Pages 3 and 4