

Memorandum

To: Members and Member Organizations

From: William N. Briggs, Executive Vice President
Strategic Financial Management and Administration

Date: February 15, 2007

Re: Fee Rate Advisory Issued by the Securities and Exchange Commission
Relating to Section 31 Fees

The Securities and Exchange Commission ("Commission") issued a fee rate advisory on February 15, 2007, which included a reference to the Section 31 fee rate. The portion of the fee rate advisory that refers to Section 31 fees is set forth below:

The Congress has passed and the President is expected to sign House Joint Resolution 20, the continuing resolution that will fund many federal agencies, including the Securities and Exchange Commission, for the remainder of FY 2007. This continuing resolution shall be deemed the Commission's "regular appropriation" for FY 2007, and therefore, when signed into law, will trigger changes in the rates of fees collected by the SEC. The Commission will issue a new fee advisory once the President has signed the appropriations bill.

Thirty days after the date of enactment of House Joint Resolution 20, the Section 31 fee rate applicable to securities transactions on the exchanges and over-the-counter markets will decrease from the current rate of \$30.70 per million dollars to \$15.30 per million dollars, as previously announced. Again, the precise date and time of the change to the new fee rate will be set forth in the fee advisory that the Commission will issue once the President has signed the appropriations bill.

Additional information on the Section 31 fee rate will be available on the Internet websites of the New York Stock Exchange and the NASD at [http://www.nyse.com </cgi-bin/goodbye.cgi?www.nyse.com>](http://www.nyse.com/cgi-bin/goodbye.cgi?www.nyse.com) and [http://www.nasd.com </cgi-bin/goodbye.cgi?www.nasd.com>](http://www.nasd.com/cgi-bin/goodbye.cgi?www.nasd.com), respectively. The Division of Market Regulation's Office of Interpretation and Guidance also is available to answer questions relating to Section 31. That office may be reached by phone at 202-551-5777 or by email at [marketreg@sec.gov <mailto:marketreg@sec.gov>](mailto:marketreg@sec.gov). A copy of the Commission's April 28, 2006, order regarding fee rates for FY 2007 is available at [http://www.sec.gov/rules/other/2006/33-8681.pdf </rules/other/2006/33-8681.pdf>](http://www.sec.gov/rules/other/2006/33-8681.pdf).

The Commission will issue further notices as appropriate to keep the public informed of developments relating to enactment of the Commission's regular appropriation and the effective dates for the above fee rate changes. These notices will be posted at the SEC's Internet web site at [http://www.sec.gov </index.htm>](http://www.sec.gov/index.htm).