

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-63197; File No. SR-NASDAQ-2010-136)

October 27, 2010

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of  
Proposed Rule Change by NASDAQ Stock Market, LLC Relating to Access Service Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 20, 2010, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. 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 modify Exchange Rule 7015, related to fees governing pricing for NASDAQ members using The NASDAQ Stock Market LLC and the NASDAQ Options Market ("NOM"), NASDAQ's facility for executing and routing standardized equity and index options, to apply only to The NASDAQ Stock Market LLC. The Exchange also proposes to create a new Rule 7053 which would include Access Services applicable only to NOM.

The text of the proposed rule change is set forth below. Proposed new text is underlined and deleted text is in brackets.

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

\* \* \* \* \*

**7015. Access Services**

The following charges are assessed by Nasdaq for connectivity to systems operated by NASDAQ, including the Nasdaq Market Center, the FINRA/NASDAQ Trade Reporting Facility, and FINRA's OTCBB Service. The following fees are not applicable to the NASDAQ Options Market LLC. For related options fees for Access Services refer to Rule 7053.

**(a) Nasdaq Information Exchange (QIX)**

---

Port pair (plus optional proprietary quote information port)	\$1200 per month
ECN direct connection port pair	\$1200 per month
Unsolicited message port	\$1000 per month

---

**(b) Financial Information Exchange (FIX)**

---

<b>[Options]Ports</b>	<b>Price</b>
FIX Trading Port	\$500/port/month
FIX Port for Services Other than Trading	\$500/port/month

---

**(c) Computer to Computer Interface (CTCI)**

Stations

---

<b>Fee Component</b>	<b>Fee</b>
1st Station	\$200/Station/month
Each Additional Station	\$600/Station/month

---

The bandwidth-based fees in the table below apply to CTCI subscribers that have not transitioned off of Nasdaq-supported circuits.

## Bandwidth

<b>Fee Component</b>	<b>Fee</b>
Single 56kb line with single hub and router (for remote disaster recovery sites only)	\$900/month
Option 1	
Dual 56kb lines (one for redundancy) and single hub and router	\$1,000/month
Option 2	
Dual 56kb lines (one for redundancy), dual hubs (one for redundancy), and dual router (one for redundancy)	\$1,200/month
Option 3	
Dual T1 lines (one for redundancy), dual hubs (one for redundancy), and dual routers (one for redundancy). Includes base bandwidth of 128kb	\$2,500/month
Bandwidth Enhancement Fee (for T1 subscribers only)	
Per 64kb increase above 128kb T1 base	\$200/month
Option 1, 2, or 3 with Message Queue software enhancement	Fee for Option 1, 2, or 3 (including any Bandwidth Enhancement Fee) plus 20%
Installation Fee	\$2,000 per site for dual hubs and routers
	\$1,000 per site for single hub and router

Relocation Fee (for the movement of TCF/IP-capable lines within a single location)	\$1,700 per relocation
--	------------------------

---

**(d) New Nasdaq Workstation**

---

Nasdaq Workstation Trader	\$475 per user per month (including data entitlement package)
---------------------------	---

---

Nasdaq Workstation Post Trade	See Rule 7015(e)
-------------------------------	------------------

---

**(e) Specialized Services Related to FINRA/NASDAQ Trade Reporting Facility**

---

CTCI fee	\$575/month
----------	-------------

---

WebLink ACT or Nasdaq Workstation Post Trade	\$375.00/month (full functionality) or \$200.00/month (up to an average of twenty transactions per day each month) (For the purposes of this service only, a transaction is defined as an original trade entry, either on trade date or as-of transactions per month.)
--	--

---

ACT Workstation	\$525/logon/month
-----------------	-------------------

---

**(f) TradeInfo**

Members not subscribing to the Nasdaq Workstation using TradeInfo will be charged a fee of \$95 per user per month.

**(g) Other Port Fees**

The following port fees shall apply in connection with the use of other trading telecommunication protocols:

- \$500 per month for each port pair, other than Multicast ITCH® data feed pairs, for which the fee is \$1000 per month.

- An additional \$200 per month for each port used for entering orders or quotes over the Internet.
- An additional \$600 per month for each port used for market data delivery over the Internet.

**(h) VTE Terminal Fees**

- Each ID is subject to a minimum commission fee of \$100 per month unless it executes a minimum of 100,000 shares.
- Each ID receiving market data is subject to pass-through fees for use of these services. Pricing for these services is determined by the exchanges and/or market center.
- Each ID that is given web access is subject to a \$100 monthly fee.

\* \* \* \* \*

**7053. NASDAQ Options Market – Access Services**

The following charges are assessed by Nasdaq for connectivity to the NASDAQ Options Market.

**(a) Financial Information Exchange (FIX)**

<b><u>Ports</u></b>	<b><u>Price</u></b>
<u>FIX Trading Port</u>	<u>\$500/port/month</u>
<u>FIX Port for Services Other than Trading</u>	<u>\$500/port/month</u>

**(b) TradeInfo**

- Members not subscribing to the Nasdaq Workstation using TradeInfo will be charged a fee of \$95 per user per month.

**(c) Other Port Fees**

The following port fees shall apply in connection with the use of other trading telecommunication protocols:

- \$500 per month for each port pair.

\* \* \* \* \*

The text of the proposed rule change is available on the Exchange's Website at <http://www.nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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 Exchange 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. 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

NASDAQ is proposing to separate its equity and options fees which are assessed for connectivity to systems operated by NASDAQ.

Currently Rule 7015, titled Access Services, contains fees assessed by Nasdaq for connectivity to systems operated by NASDAQ, including the Nasdaq Market Center, the FINRA/NASDAQ Trade Reporting Facility, and FINRA's OTCBB Service. Rule 7015 applies to both The NASDAQ Stock Market LLC members, conducting an equities business, and NOM members, conducting an options business. Access Services fees relate to ports used to: enter orders into the NASDAQ trading systems; receive market data; enter quotes; and enter trade reports into the FINRA/NASDAQ Trade Reporting Facility.

The Exchange is proposing to add the following language to Rule 7015 so that it applies solely to The NASDAQ Stock Market LLC members: “The following fees are not applicable to the NASDAQ Options Market LLC. For related options fees for Access Services refer to Rule 7053.” The Exchange is proposing to list those Access Service Fees which would apply to NOM members in a separate Rule.

The Exchange proposes to create a new Rule 7053, titled “NASDAQ Options Market – Access Services” which would apply to NOM members conducting an options business. Specifically, this proposed new Rule would include pricing for the Financial Information Exchange or “FIX”, TradeInfo and pricing for Other Port Fees. The pricing in Rule 7053 would be the same pricing that is currently assessed to NOM members today in Rule 7015 for FIX pricing<sup>3</sup>, TradeInfo<sup>4</sup> and applicable portion of Other Fees.<sup>5</sup>

---

<sup>3</sup> For FIX pricing, the Exchange would assess: a Fix Trading Port fee of \$500 per month per port; and a FIX Port for Services Other than Trading fee of \$500 per month, per port.

<sup>4</sup> Currently, NOM members not subscribing to the Nasdaq Workstation using TradeInfo are charged a fee of \$95 per user per month. TradeInfo allows users to scan for their Nasdaq-listed orders submitted in Nasdaq. Users can then perform actions on their orders. Users can scan for all orders in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.). For example, after scanning for open orders the user is then able to select an open order and is allowed to make corrections to the order or cancel the order. TradeInfo also allows the users to scan other orders, such as executed, cancelled, broken, rejected and suspended orders.

<sup>5</sup> Currently, NOM members are assessed the \$500 per month fee for each port pair. The remaining “Other Port Fees” are not applicable to NOM members today; those fees apply to members of The NASDAQ Stock Market LLC. To further clarify, only certain features are available on the NOM system. The Other Port Fees that exist in Rule 7015 that were not duplicated in new proposed Rule 7053 are not available on the NOM system but rather are available to members transacting equities only.

The Exchange also proposes to make a technical amendment to Rule 7015 in section (b), titled Financial Information Exchange (FIX), to change the word “Options” to the word “Ports” to clarify information contained in that section does not relate to options trading but rather that term is used to define the fee categories in that section.

The remaining sections of Rule 7015 which are not proposed in new Rule 7053 do not apply to NOM members. Fees which are currently contained in Rule 7015 that were not duplicated in new proposed Rule 7053 are not available on the NOM system. Those fees are available to members transacting equities only.<sup>6</sup> Today, the Exchange only assesses the applicable fees contained in Rule 7015 that apply to The NASDAQ Stock Market LLC members and/or NOM members respectively. In other words, members transacting options only are assessed fees available on the NOM system. In creating this new Rule 7053, the Exchange is not changing which members are assessed certain fees, but rather the Exchange is proposing to separate the equities and options fees into two separate Rules.

The Exchange believes that creating two separate Rules for Access Service pricing, one related to The NASDAQ Stock Market LLC and one related to NOM, would provide more clarity for members as well as ease of reference.

## 2. Statutory Basis

NASDAQ believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,<sup>7</sup> in general, and with Section 6(b)(4) of the Act,<sup>8</sup> in

---

<sup>6</sup> The Commission notes that this is illustrated in note 5. See supra note 5 (clarifying that only certain features are available on the NOM system).

<sup>7</sup> 15 U.S.C. 78f.

<sup>8</sup> 15 U.S.C. 78f(b)(4).



particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls.

The Exchange believes the proposed amendments to Rule 7015 and the addition of proposed new Rule 7053 provides more clarity to The NASDAQ Stock Market LLC and NOM members as to the Access Service Fees which are applicable to each market. The Exchange believes that creating different Rules applicable to the equities and options markets for Access Service Fees provides ease of reference for members of each market. Also, the technical amendment should serve to avoid confusion.

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 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

No written comments were either solicited or received.

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 Act.<sup>9</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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

---

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2010-136 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2010-136. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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-2010-136 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Florence E. Harmon  
Deputy Secretary

---

<sup>10</sup> 17 CFR 200.30-3(a)(12).