

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * <input type="text" value="23"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2012"/> - * <input type="text" value="010"/> Amendment No. (req. for Amendments *) <input type="text"/>
Proposed Rule Change by NASDAQ OMX BX, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934		
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>
Section 19(b)(2) * <input type="checkbox"/>		Section 19(b)(3)(A) * <input checked="" type="checkbox"/>
Section 19(b)(3)(B) * <input type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>
Rule		
Pilot <input type="checkbox"/>		<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)
Extension of Time Period for Commission Action * <input type="text"/>		<input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)
Date Expires * <input type="text"/>		<input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>	
<b>Description</b> Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <input type="text" value="A Proposed Rule Change to Modify Certain External and Inter-Cabinet Connectivity Fees."/>		
<b>Contact Information</b> Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.		
First Name * <input type="text" value="Arlinda"/>	Last Name * <input type="text" value="Clark"/>	
Title * <input type="text" value="Assistant General Counsel"/>		
E-mail * <input type="text" value="arlinda.clark@nasdaqomx.com"/>		
Telephone * <input type="text" value="(301) 978-8317"/>	Fax <input type="text" value="(301) 978-8472"/>	
<b>Signature</b> Pursuant to the requirements of the Securities Exchange Act of 1934,  has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.		
Date <input type="text" value="02/03/2012"/>		
By <input type="text" value="Edward S. Knight"/>	<input type="text" value="Executive Vice President and General Counsel"/>	
(Name *)	(Title *)	
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.		
<input type="button" value="Edward S Knight,"/>		

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information (required)**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change (required)**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NASDAQ OMX BX, Inc. (“BX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify certain external and inter-cabinet connectivity fees.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of the applicable portion of Rule 7034 is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on August 19, 2011. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

Questions regarding this rule filing may be directed to Arlinda J. Clark, Assistant General Counsel, The NASDAQ OMX Group, Inc. at (301) 978-8317 (telephone) or (301) 978-8472 (fax).

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

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

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

a. Purpose

The Exchange proposes to amend Rule 7034(b) to reduce fees for low latency connectivity to Toronto and Chicago venues; and to increase certain fees for other forms of connectivity.

*Low Latency Connectivity*

On December 20, 2011, the Commission approved the Exchange's offering of low latency point-to-point telecommunications connectivity from the Exchange's co-location facility to select financial trading and co-location venues in the metropolitan New York/New Jersey area, Toronto, and Chicago.<sup>3</sup> The enhanced point-to-point connectivity provides the Exchange's co-location customers the opportunity to obtain low latency network connectivity with greater ease and at a competitive price.<sup>4</sup>

The Exchange now proposes a pass-through reduction in the fees for connectivity to Toronto and Chicago venues as follows: (1) for 100MB connectivity to the Toronto area, a reduction of the installation fee from \$5,150 to \$4,850, and a reduction of the per-month connectivity fee from \$4,350 to \$4,100; (2) for 1G connectivity to the Toronto area, a reduction of the installation fee from \$8,200 to \$7,700, and a reduction of the per-month connectivity fee from \$10,450 to \$9,850; (3) for 10G connectivity to the Toronto area, a reduction of the installation fee from \$15,150 to \$14,200, and a reduction of the per-month connectivity fee from \$32,400 to \$28,400; (4) for 100MB connectivity to the

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<sup>3</sup> See Securities Exchange Release No. 66012 (December 20, 2011), 76 FR 80998 (December 27, 2011)(SR-BX-2011-073).

<sup>4</sup> Id. at 80998.

Chicago area, a reduction of the installation fee from \$4,850 to \$3,500, and a reduction of the per-month connectivity fee from \$8,350 to \$7,350; (5) for 1G connectivity to the Chicago area, a reduction of the installation fee from \$5,900 to \$4,900, and a reduction of the per-month connectivity fee from \$16,400 to \$12,800; (6) for 10G connectivity to the Chicago area, a reduction of the installation fee from of \$12,050 to \$10,650, and a reduction of the per-month connectivity fee from \$39,750 to \$26,900.

The reductions in fees are the result of the Exchange obtaining a reduction in the fees charged to the Exchange by the Toronto and Chicago low latency telecommunication carriers. The Exchange is passing along the entire savings of the reduction in fees to the subscribers of the Toronto and Chicago low latency connectivity service.

*Increasing the 1Gb Connectivity Fees*

The Exchange further proposes to raise the 1Gb connectivity fees to The NASDAQ Stock Market LLC (“NASDAQ”).<sup>5</sup> More specifically, the Exchange proposes to raise the per-month fiber connectivity fee to NASDAQ from \$500 to \$1,000. The Exchange also proposes to raise the one-time installation fee for the 1Gb copper connectivity to NASDAQ from \$100 to \$1,000, and the per-month connectivity fee from \$250 to \$1,000. Due to the Exchange’s continued efforts to upgrade its networks, the cost to maintain the 1G network connections and infrastructure continues to grow. The increased fees serve to cover the increased costs associated with maintaining the 1Gb connections and the related infrastructure.

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<sup>5</sup> All co-location services are provided by NASDAQ Technology Services LLC.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>6</sup> in general, and with Section 6(b)(4) of the Act,<sup>7</sup> in 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 the Exchange operates or controls. The Exchange believes the proposed fees are reasonable and equitable for the reasons below.

*Low Latency Connectivity*

In SR-BX-2011-073,<sup>8</sup> the Commission determined that the original fees established for low latency connectivity were reasonable, equitable, and not unfairly discriminatory because the connectivity options are uniformly available to all members that opt to pay for them, because they enable the Exchange to cover its costs, because they are comparable to fees charged by other trading venues for comparable services, and because they are designed to promote competition by offering members additional service options. These determinations apply with equal weight to the reduced fees, which enhance the reasonableness and competitiveness of the service by passing on the reduction in low latency connectivity fees to the Toronto and Chicago venues to the members that opt to receive the connectivity options in question.

*Increasing the IGb Connectivity Fee*

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<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> See Securities Exchange Release No. 66012 (December 20, 2011), 76 FR 80998 (December 27, 2011)(SR-BX-2011-073).

The Exchange believes the proposal to increase the 1Gb connectivity to NASDAQ is reasonable because the costs are associated with the Exchange's continued efforts to upgrade its networks by maintaining the 1Gb network connections and infrastructure as the need for such connections continues to grow. The costs associated with operating a co-location facility, like the costs of operating the electronic trading facility with which the co-location facility is associated, are primarily fixed costs, and in the case of co-location are primarily the costs of renting or owning data center space and retaining a staff of technical personnel. Accordingly, the Exchange establishes a range of co-location fees with the goal of covering these fixed costs, covering less significant marginal costs, such as the cost of electricity, and providing the Exchange a profit to the extent the costs are covered. In this instance, the current fees charged for the 1Gb network connections does not cover the costs of maintaining the connections, resulting in a loss for the Exchange on this service. The Exchange is proposing to raise the fees for the 1Gb network connections to cover its costs, and to the extent the costs are covered, allow the Exchange to earn a profit.

More specifically, the Exchange proposes to raise the per-month 1Gb fiber connectivity fee to NASDAQ from \$500 to \$1,000 to cover the increasing cost to continually improve this lower bandwidth network, which includes continuous improvements in reducing latency, upgrading equipment, and adding functionality to this network. The cost to maintain this lower bandwidth network also continues to rise as the network gets older, equipment must be replaced and resources must be dedicated to monitor and ensure any issues are dealt with quickly and do not cause any client outages or connectivity issues. Due to the continuous growth of the size of consolidated and

proprietary market data feeds that can be provided over these 1G network connections, as per client request, additional NASDAQ network resources are required to monitor and interface with clients when data spikes and data gapping issues occur. The Exchange has not increased the fees for these services in over six years, while the costs have continued to rise.

The Exchange also proposes to raise the one-time installation fee for the 1Gb copper connectivity to NASDAQ from \$100 to \$1,000 to cover the increasing costs to install connections to this lower bandwidth network. The copper installation requires the same amount of resources, tools, and time to install, enable data and test connectivity as the fiber installation which is already priced at \$1,000. While the costs have increased, the Exchange has not adjusted the price on this connection for more than six years.

Additionally, the Exchange proposes to raise the per-month 1Gb copper connectivity to NASDAQ from \$250 to \$1,000 to cover the increasing costs to improve and maintain this lower bandwidth network, which includes continuous improvements in reducing latency, upgrading equipment, and adding functionality to this network. The cost to maintain this lower bandwidth network also continues to rise as the network gets older, equipment must be replaced and resources must be dedicated to monitor and ensure any issues are dealt with quickly and do not cause any client outages or connectivity issues. Due to the continuous growth of the size of consolidated and proprietary market data feeds that can be provided over these 1G network connections, as per client request, additional NASDAQ network resources are required to monitor and interface with clients when data spikes and data gapping issues occur. The Exchange has not increased the fees for these services in over six years, while the costs have continued to rise. In addition,



the copper connections provide the same services and latency as the fiber connections. The Exchange proposes to standardize the fees for these connections as it does with the inter-cabinet connectivity fees of this rule.

The Exchange further believes that the proposed fees are reasonable in that the Exchange's proposed fees are comparable to those charged by other trading venues for comparable services.<sup>9</sup>

The Exchange also believes the proposed increase in the fees for the 1Gb connectivity to NASDAQ, both fiber and copper, is equitably allocated and non-discriminatory in that all Exchange members have the option of selecting the 1Gb connections to NASDAQ and there is no differentiation among members with regard to the fees charged for such costs.

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

The Exchange 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, as amended.

5. 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. Extension of Time Period for Commission Action

Not applicable.

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<sup>9</sup> Id. Specifically, the Exchange's proposed monthly fee of \$1,000 for a 1Gb is comparable to NYSE's fee of \$5,000 for the same bandwidth.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>10</sup>, the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not specifically based upon the rules of any other self-regulatory organization. Companion filings are also submitted for NASDAQ OMX PHLX LLC and The NASDAQ Stock Market LLC.

9. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
2. Exhibit 5.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-BX-2012-010)

\_\_\_\_\_, 2012

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Certain External and Inter-Cabinet Connectivity 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 February 3, 2012, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) 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 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 the Substance of the Proposed Rule Change

The Exchange proposes to modify certain external and inter-cabinet connectivity fees. The text of the proposed rule change is available at <http://nasdaqomxbx.cchwallstreet.com/>, at the Exchange’s principal office, 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

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

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

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

The Exchange proposes to amend Rule 7034(b) to reduce fees for low latency connectivity to Toronto and Chicago venues; and to increase certain fees for other forms of connectivity.

*Low Latency Connectivity*

On December 20, 2011, the Commission approved the Exchange's offering of low latency point-to-point telecommunications connectivity from the Exchange's co-location facility to select financial trading and co-location venues in the metropolitan New York/New Jersey area, Toronto, and Chicago.<sup>3</sup> The enhanced point-to-point connectivity provides the Exchange's co-location customers the opportunity to obtain low latency network connectivity with greater ease and at a competitive price.<sup>4</sup>

The Exchange now proposes a pass-through reduction in the fees for connectivity to Toronto and Chicago venues as follows: (1) for 100MB connectivity to the Toronto area, a reduction of the installation fee from \$5,150 to \$4,850, and a reduction of the per-month connectivity fee from \$4,350 to \$4,100; (2) for 1G connectivity to the Toronto area, a reduction of the installation fee from \$8,200 to \$7,700, and a reduction of the per-month connectivity fee from \$10,450 to \$9,850; (3) for 10G connectivity to the Toronto

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<sup>3</sup> See Securities Exchange Release No. 66012 (December 20, 2011), 76 FR 80998 (December 27, 2011)(SR-BX-2011-073).

<sup>4</sup> Id. at 80998.

area, a reduction of the installation fee from \$15,150 to \$14,200, and a reduction of the per-month connectivity fee from \$32,400 to \$28,400; (4) for 100MB connectivity to the Chicago area, a reduction of the installation fee from \$4,850 to \$3,500, and a reduction of the per-month connectivity fee from \$8,350 to \$7,350; (5) for 1G connectivity to the Chicago area, a reduction of the installation fee from \$5,900 to \$4,900, and a reduction of the per-month connectivity fee from \$16,400 to \$12,800; (6) for 10G connectivity to the Chicago area, a reduction of the installation fee from \$12,050 to \$10,650, and a reduction of the per-month connectivity fee from \$39,750 to \$26,900.

The reductions in fees are the result of the Exchange obtaining a reduction in the fees charged to the Exchange by the Toronto and Chicago low latency telecommunication carriers. The Exchange is passing along the entire savings of the reduction in fees to the subscribers of the Toronto and Chicago low latency connectivity service.

*Increasing the 1Gb Connectivity Fees*

The Exchange further proposes to raise the 1Gb connectivity fees to The NASDAQ Stock Market LLC (“NASDAQ”).<sup>5</sup> More specifically, the Exchange proposes to raise the per-month fiber connectivity fee to NASDAQ from \$500 to \$1,000. The Exchange also proposes to raise the one-time installation fee for the 1Gb copper connectivity to NASDAQ from \$100 to \$1,000, and the per-month connectivity fee from \$250 to \$1,000. Due to the Exchange’s continued efforts to upgrade its networks, the cost to maintain the 1G network connections and infrastructure continues to grow. The increased fees serve to cover the increased costs associated with maintaining the 1Gb connections and the related infrastructure.

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<sup>5</sup> All co-location services are provided by NASDAQ Technology Services LLC.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>6</sup> in general, and with Section 6(b)(4) of the Act,<sup>7</sup> in 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 the Exchange operates or controls. The Exchange believes the proposed fees are reasonable and equitable for the reasons below.

### *Low Latency Connectivity*

In SR-BX-2011-073,<sup>8</sup> the Commission determined that the original fees established for low latency connectivity were reasonable, equitable, and not unfairly discriminatory because the connectivity options are uniformly available to all members that opt to pay for them, because they enable the Exchange to cover its costs, because they are comparable to fees charged by other trading venues for comparable services, and because they are designed to promote competition by offering members additional service options. These determinations apply with equal weight to the reduced fees, which enhance the reasonableness and competitiveness of the service by passing on reduced costs to members that opt to receive the connectivity options in question.

### *Increasing the 1Gb Connectivity Fee*

The Exchange believes the proposal to increase the 1Gb connectivity to NASDAQ is reasonable because the costs are associated with the Exchange's continued

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<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> See Securities Exchange Release No. 66012 (December 20, 2011), 76 FR 80998 (December 27, 2011)(SR-BX-2011-073).

efforts to upgrade its networks by maintaining the 1Gb network connections and infrastructure as the need for such connections continues to grow. The costs associated with operating a co-location facility, like the costs of operating the electronic trading facility with which the co-location facility is associated, are primarily fixed costs, and in the case of co-location are primarily the costs of renting or owning data center space and retaining a staff of technical personnel. Accordingly, the Exchange establishes a range of co-location fees with the goal of covering these fixed costs, covering less significant marginal costs, such as the cost of electricity, and providing the Exchange a profit to the extent the costs are covered. In this instance, the current fees charged for the 1Gb network connections does not cover the costs of maintaining the connections, resulting in a loss for the Exchange on this service. The Exchange is proposing to raise the fees for the 1Gb network connections to cover its costs, and to the extent the costs are covered, allow the Exchange to earn a profit.

More specifically, the Exchange proposes to raise the per-month 1Gb per-month fiber connectivity fee to NASDAQ from \$500 to \$1,000 to cover the increasing cost to continually improve this lower bandwidth network, which includes continuous improvements in reducing latency, upgrading equipment, and adding functionality to this network. The cost to maintain this lower bandwidth network also continues to rise as the network gets older, equipment must be replaced and resources must be dedicated to monitor and ensure any issues are dealt with quickly and do not cause any client outages or connectivity issues. Due to the continuous growth of the size of consolidated and proprietary market data feeds that can be provided over these 1G network connections, as per client request, additional NASDAQ network resources are required to monitor and

interface with clients when data spikes and data gapping issues occur. The Exchange has not increased the fees for these services in over six years, while the costs have continued to rise.

The Exchange also proposes to raise the one-time installation fee for the 1Gb copper connectivity to NASDAQ from \$100 to \$1,000 to cover the increasing costs to install connections to this lower bandwidth network. The copper installation requires the same amount of resources, tools, and time to install, enable data and test connectivity as the fiber installation which is already priced at \$1,000. While the costs have increased, the Exchange has not adjusted the price on this connection for more than six years.

Additionally, the Exchange proposes to raise the per-month 1Gb copper connectivity to NASDAQ from \$250 to \$1,000 to cover the increasing costs to improve and maintain this lower bandwidth network, which includes continuous improvements in reducing latency, upgrading equipment, and adding functionality to this network. The cost to maintain this lower bandwidth network also continues to rise as the network gets older, equipment must be replaced and resources must be dedicated to monitor and ensure any issues are dealt with quickly and do not cause any client outages or connectivity issues. Due to the continuous growth of the size of consolidated and proprietary market data feeds that can be provided over these 1G network connections, as per client request, additional NASDAQ network resources are required to monitor and interface with clients when data spikes and data gapping issues occur. The Exchange has not increased the fees for these services in over six years, while the costs have continued to rise. In addition, the copper connections provide the same services and latency as the fiber connections.



The Exchange proposes to standardize the fees for these connections as it does with the inter-cabinet connectivity fees of this rule.

The Exchange further believes that the proposed fees are reasonable in that the Exchange's proposed fees are comparable to those charged by other trading venues for comparable services.<sup>9</sup>

The Exchange also believes the proposed increase in the fees for the 1Gb connectivity to NASDAQ, both fiber and copper, is equitably allocated and non-discriminatory in that all Exchange members have the option of selecting the 1Gb connections to NASDAQ and there is no differentiation among members with regard to the fees charged for such costs.

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

The Exchange 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, as amended.

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.

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>10</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

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<sup>9</sup> Id. Specifically, the Exchange's proposed monthly fee of \$1,000 for a 1Gb is comparable to NYSE's fee of \$5,000 for the same bandwidth.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(a)(ii).

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. 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, as amended, 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-BX-2012-010 on the subject line.

##### Paper comments:

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

All submissions should refer to File Number SR-BX-2012-010. 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 website viewing and printing in the Commission's Public Reference Room 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 offices 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 available publicly.

All submissions should refer to File Number SR-BX-2012-010, 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>11</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Brackets indicate deletions; underlining indicates new text.

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**7034. Co-Location Services**

The following charges are assessed by NASDAQ OMX BX, Inc., for co-location services: <sup>1</sup>

(a) No Change.

(b) Connectivity

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**External Telco /Inter-Cabinet Connectivity**

<b>Description</b>	<b>Installation Fee</b>	<b>Ongoing Monthly Fee</b>
Category 6 Cable patch	\$300	\$300*
DS-3 Connection	\$500	\$300*
Fiber	\$500	\$300*
POTS Line	\$0	\$0
One-Time Telco Connectivity Expedite Fee	\$1,400	\$0
Inter-Cabinet Telco connection outside Nasdaq space		\$1,000
100MB Connectivity - Metro NY/NJ Area Destination	\$1,165**	\$1,650**
1G Connectivity - Metro NY/NJ Area Destination	\$2,150**	\$2,150**
10G Connectivity - Metro NY/NJ Area Destination	\$5,000**	\$5,000**
100MB Connectivity - Toronto	[\$5,150] <u>\$4,850</u> **	[\$4,350] <u>\$4,100</u> **

<sup>1</sup> Co-location services provided by NASDAQ Technology Services LLC.

## Area Destination

1G Connectivity - Toronto Area Destination	[\$8,200] <u>\$7,700</u> **	[\$10,450] <u>\$9,850</u> **
10G Connectivity - Toronto Area Destination	[\$15,150] <u>\$14,200</u> **	[\$32,400] <u>\$28,400</u> **
100MB Connectivity - Chicago Area Destination	[\$4,850] <u>\$3,500</u> **	[\$8,350] <u>\$7,350</u> **
1G Connectivity - Chicago Area Destination	[\$5,900] <u>\$4,900</u> **	[\$16,400] <u>\$12,800</u> **
10G Connectivity - Chicago Area Destination	[\$12,050] <u>\$10,650</u> **	[\$39,750] <u>\$26,900</u> **

\* Requesting party only. Not applicable to inter-cabinet connections among the same customer.

\*\* Includes fiber telco cross connect within NASDAQ OMX data center.

**Connectivity to Nasdaq**

<b>Description</b>	<b>Installation Fee</b>	<b>Ongoing Monthly Fee</b>
Additional Fiber Connection to Nasdaq (10Gb)	\$1,000*	\$5,000
Additional Fiber Connection to Nasdaq (1Gb)	\$1,000	[\$500] <u>\$1,000</u>
Additional 1Gb Copper Connection to Nasdaq	[\$100] <u>\$1,000</u>	[\$250] <u>\$1,000</u>
Additional 100Mb Connection to Nasdaq*	\$50	\$100

\*One 100Mb connection to NASDAQ OMX BX is provided as a part of the standard service at no charge.

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**Market Data Connectivity\***

<b>Description</b>	<b>Installation Fee</b>	<b>Ongoing Monthly Fee</b>
Nasdaq	\$1,000	\$0
SIAC	\$1,000	
CTS/CQS		\$1,412
OpenBook Realtime		\$2,500
OpenBook Ultra		\$2,500
NYSE Alerts		\$200
NYSE Trades		\$100
Arca Trades		\$100
ArcaBook Multicast		\$1,500
Arca BBO		\$125
AMEX- Ultra/Trades/Alerts/LRP		\$100
OPRA		\$6,000
CME	\$1,000	\$3,500
Access Fee per location device/user		\$65
BATS Multicast PITCH	\$1,000	
BATS		\$4,000
BATS Y		\$1,500
Direct Edge	\$1,000	
EDGA		\$2,500

EDGX		\$2,500
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TSX/TSXV	\$1,000	
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TSX and TSXV Level 1 Feed		\$300
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TSX and TSXV Level 2 Feed		\$1,000
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TSX Quantum Level 1 Feed		\$100
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TSX Quantum Level 2 Feed		\$300
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\*Pricing is for telco connectivity only and is similar to connectivity fees imposed by other vendors. The fees are generally based on the amount of bandwidth needed to accommodate a particular feed and NASDAQ OMX BX is not the exclusive method to get market data connectivity. Market data fees are charged independently by the NASDAQ OMX BX and other exchanges.

(c) – (e) No change.