

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2012 - * 037	Amendment No. (req. for Amendments *)
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"/> <div style="text-align: center;">Rule</div> <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *). <div style="border: 1px solid black; padding: 5px; min-height: 30px;">Relating to a Waiver of Fees for BX Options Participants</div>			
Contact Information 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 *	Angela	Last Name *	Dunn
Title *	Associate General Counsel		
E-mail *	angela.dunn@nasdaqomx.com		
Telephone *	(215) 496-5692	Fax	
Signature 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	05/18/2012		
By	Edward S. Knight <small>(Name *)</small>	Executive Vice President and General Counsel <small>(Title *)</small>	
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.			
<div style="border: 1px solid black; display: inline-block; padding: 5px 20px;">Edward S Knight,</div>			

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 the Proposed Rule Change

(a) NASDAQ OMX BX, Inc. (“BX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to waive certain application, membership and data fees for BX members seeking to participate solely in the new BX Options Market.

The text of the proposed rule change is attached in Exhibit 5. A notice of the proposed rule change for publication in the Federal Register is attached in Exhibit 1.

(b) Inapplicable.

(c) Inapplicable.

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 any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Angela Saccomandi Dunn, Associate General Counsel, at (215) 496-5692.

¹ 15 U.S.C. 78s(b)(1).

² 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 purpose of the proposed rule change is to waive the following BX fees to promote participation in the new BX Options Market: (1) Membership Fee; (2) Trading Rights Fee; (3) Application Fee; (4) testing fee; and (5) Annual Administrative Fee.

The Exchange recently filed for approval to operate a new options market.³ The new market, called NASDAQ OMX BX Options, or BX Options, will be all-electronic with no physical trading floor. BX proposed to adopt a series of rules based on the existing rules of NOM.⁴

Persons desiring to join the new BX Options Market need to apply to become members of BX pursuant to BX Rules. BX Members are subject to various charges for membership, services and equipment as noted in the 7000 Rules. The Exchange desires to waive certain of those fees to attract market participants to the new BX Options Market. BX seeks to implement the fee waivers immediately so that Applicants seeking to participate in the new BX Options market may begin submitting applications to the Exchange prior to the market's commencement of operations.

Currently, BX members are assessed a \$3,000 Membership Fee⁵ per year and a \$500 per month trading rights fee.⁶ The Exchange also assesses an Application Fee of

³ See SR-BX-2012-30.

⁴ See SR-BX-2012-30. BX will operate an electronic trading system developed to trade options that will provide for the electronic display and execution of orders in price/time priority without regard to the status of the entities that are entering orders.

⁵ The Membership Fee is imposed on all persons that are Exchange members as of a date determined by the Exchange in December of each year. This fee is not refundable in the event that a person ceases to be an Exchange member following the date on which the fee

\$2,000.⁷ Among other fees, the Exchange also currently assesses subscribers to the Exchange a fee for conducting tests of their Exchange access protocols connection or market data feeds through the Exchange's Testing Facility a fee of \$300 per port, per month.⁸ The Exchange assesses an Annual Administrative Fee to market data distributors that receive any proprietary Exchange data feed product. The amount of this fee is the higher of the delayed distributor fee of \$500 or the real-time distributor fee of \$1,000 (which may include the delayed fee). This fee is assessed annually.

The Exchange proposes to waive the Membership Fee, Trading Rights Fee, Application Fee, and Annual Administrative Fee for Applicants desiring to apply to become BX Options Market Participants, who will not transact business on the BX Equities Market.⁹ The proposed fee waivers for the Membership Fee, Trading Rights Fee and Annual Administrative Fee would apply also to an existing BX member if that member applies to transact business on the BX Options Market only and will no longer be conducting an equities business on BX. In this example, the Application Fee would

is assessed. See Rule 7001. This Membership Fee is collected by the Financial Industry Regulatory Authority (FINRA) on behalf of the Exchange and would be refunded by the Exchange annually, if the fee is assessed to a BX Options Participant who qualified for the waiver.

⁶ The Trading Rights Fee is assessed on all persons that are Exchange members as of a date determined by the Exchange in each month. This fee is not refundable in the event that a person ceases to be an Exchange member following the date on which the fee is assessed. See Rule 7001.

⁷ The Application Fee for membership in the Exchange is non-refundable.

⁸ These fees do not apply to testing occasioned by new or enhanced services or software, modifications to services or software initiated by the Exchange in response to a contingency or testing by a new subscriber under certain circumstances. See Rule 7030.

⁹ New BX Options Market members would be assigned an account by the Membership Department.

not be waived because it was already assessed at the time the member became a BX member. The waiver would also apply to a BX member who determines at a later date to transact business on the BX Options Market only; the Application Fee would not be waived in this case because it was already paid at the time the member became a BX member. The aforementioned waivers would not apply to Applicants seeking approval to participate solely in the BX Equities Market, or to an applicant seeking to participate in both the BX Equities and the BX Options Markets. In the event that an Applicant applies to be a BX Options Participant and obtains the waiver but later determines to commence an equities business, the BX Options Participant would be assessed the Membership Fee, Trading Rights Fee; testing fees; and Annual Administrative Fee going forward.¹⁰

The Exchange also proposes to waive BX Options testing fees as such fees are described in Rule 7030(d). The Exchange also proposes to make minor technical amendments to Rule 7001 to remove outdated text that dates back to the commencement of the BX Equities Market.

b. Statutory Basis

The Exchange believes that its proposal to amend its fees is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹² in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

¹⁰ These members would not be assessed an Application Fee, which was previously waived at the time they became Exchange members.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

The Exchange makes all services and products subject to its fees available on a non-discriminatory basis to similarly situated recipients. The proposed waivers of the Membership Fee, Trading Rights Fee, Application Fee, testing fee and Annual Administrative Fee are reasonable because the Exchange is seeking to attract market participants to the new BX Options Market.

The Exchange believes that the proposed waivers of the Membership Fee, Trading Rights Fee, Application Fee and Annual Administrative Fee are equitable and not unfairly discriminatory because the waivers will uniformly apply to BX Options Participants that transact business solely on the BX Options Market. The testing fee will also be uniformly waived for all testing related to the BX Options market.

The proposed technical amendments are reasonable, equitable and not unfairly discriminatory because the amendments remove outdated text.

4. 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. To the contrary, the Exchange believes that incentivizing firms to join the BX Options Market will promote competition by a new, competitive entrant.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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,¹³ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed 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 based on a filing by NASDAQ OMX PHLX LLC (“Phlx”).¹⁴

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Applicable Exchange Rules.

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ See Securities Exchange Act Release No. 61863 (April 7, 2010), 75 FR 20021 (April 16, 2010) (SR-Phlx-2010-54) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees for Participation in NASDAQ OMX PSX). Similar to this proposal, Phlx waived certain fees prior to the commencement of operations of its new PSX equities market.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-BX-2012-037)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX BX, Inc. Relating to a Waiver of Fees for BX Options Participants

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 May 18, 2012, NASDAQ OMX BX, Inc. (“BX” 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 waive certain application, membership and data fees for BX members seeking to participate solely in the new BX Options Market.

The text of the proposed rule change is available on the Exchange’s Website at <http://www.nasdaqtrader.com/micro.aspx?id=BXRulefilings>, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The purpose of the proposed rule change is to waive the following BX fees to promote participation in the new BX Options Market: (1) Membership Fee; (2) Trading Rights Fee; (3) Application Fee; (4) testing fee; and (5) Annual Administrative Fee.

The Exchange recently filed for approval to operate a new options market.³ The new market, called NASDAQ OMX BX Options, or BX Options, will be all-electronic with no physical trading floor. BX proposed to adopt a series of rules based on the existing rules of NOM.⁴

Persons desiring to join the new BX Options Market need to apply to become members of BX pursuant to BX Rules. BX Members are subject to various charges for membership, services and equipment as noted in the 7000 Rules. The Exchange desires to waive certain of those fees to attract market participants to the new BX Options Market. BX seeks to implement the fee waivers immediately so that Applicants seeking to participate in the new BX Options market may begin submitting applications to the Exchange prior to the market's commencement of operations.

³ See SR-BX-2012-30.

⁴ See SR-BX-2012-30. BX will operate an electronic trading system developed to trade options that will provide for the electronic display and execution of orders in price/time priority without regard to the status of the entities that are entering orders.

Currently, BX members are assessed a \$3,000 Membership Fee⁵ per year and a \$500 per month trading rights fee.⁶ The Exchange also assesses an Application Fee of \$2,000.⁷ Among other fees, the Exchange also currently assesses subscribers to the Exchange a fee for conducting tests of their Exchange access protocols connection or market data feeds through the Exchange's Testing Facility a fee of \$300 per port, per month.⁸ The Exchange assesses an Annual Administrative Fee to market data distributors that receive any proprietary Exchange data feed product. The amount of this fee is the higher of the delayed distributor fee of \$500 or the real-time distributor fee of \$1,000 (which may include the delayed fee). This fee is assessed annually.

The Exchange proposes to waive the Membership Fee, Trading Rights Fee, Application Fee, and Annual Administrative Fee for Applicants desiring to apply to become BX Options Market Participants, who will not transact business on the BX

⁵ The Membership Fee is imposed on all persons that are Exchange members as of a date determined by the Exchange in December of each year. This fee is not refundable in the event that a person ceases to be an Exchange member following the date on which the fee is assessed. See Rule 7001. This Membership Fee is collected by the Financial Industry Regulatory Authority (FINRA) on behalf of the Exchange and would be refunded by the Exchange annually, if the fee is assessed to a BX Options Participant who qualified for the waiver.

⁶ The Trading Rights Fee is assessed on all persons that are Exchange members as of a date determined by the Exchange in each month. This fee is not refundable in the event that a person ceases to be an Exchange member following the date on which the fee is assessed. See Rule 7001.

⁷ The Application Fee for membership in the Exchange is non-refundable.

⁸ These fees do not apply to testing occasioned by new or enhanced services or software, modifications to services or software initiated by the Exchange in response to a contingency or testing by a new subscriber under certain circumstances. See Rule 7030.

Equities Market.⁹ The proposed fee waivers for the Membership Fee, Trading Rights Fee and Annual Administrative Fee would apply also to an existing BX member if that member applies to transact business on the BX Options Market only and will no longer be conducting an equities business on BX. In this example, the Application Fee would not be waived because it was already assessed at the time the member became a BX member. The waiver would also apply to a BX member who determines at a later date to transact business on the BX Options Market only; the Application Fee would not be waived in this case because it was already paid at the time the member became a BX member. The aforementioned waivers would not apply to Applicants seeking approval to participate solely in the BX Equities Market, or to an applicant seeking to participate in both the BX Equities and the BX Options Markets. In the event that an Applicant applies to be a BX Options Participant and obtains the waiver but later determines to commence an equities business, the BX Options Participant would be assessed the Membership Fee, Trading Rights Fee; testing fees; and Annual Administrative Fee going forward.¹⁰

The Exchange also proposes to waive BX Options testing fees as such fees are described in Rule 7030(d). The Exchange also proposes to make minor technical amendments to Rule 7001 to remove outdated text that dates back to the commencement of the BX Equities Market.

⁹ New BX Options Market members would be assigned an account by the Membership Department.

¹⁰ These members would not be assessed an Application Fee, which was previously waived at the time they became Exchange members.

2. Statutory Basis

The Exchange believes that its proposal to amend its fees is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹² in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

The Exchange makes all services and products subject to its fees available on a non-discriminatory basis to similarly situated recipients. The proposed waivers of the Membership Fee, Trading Rights Fee, Application Fee, testing fee and Annual Administrative Fee are reasonable because the Exchange is seeking to attract market participants to the new BX Options Market.

The Exchange believes that the proposed waivers of the Membership Fee, Trading Rights Fee, Application Fee and Annual Administrative Fee are equitable and not unfairly discriminatory because the waivers will uniformly apply to BX Options Participants that transact business solely on the BX Options Market. The testing fee will also be uniformly waived for all testing related to the BX Options market.

The proposed technical amendments are reasonable, equitable and not unfairly discriminatory because the amendments remove outdated text.

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.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

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.¹³ 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 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. Please include File Number SR-BX-2012-037 on the subject line.

Paper comments:

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

- 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-2012-037. 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, 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 the 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 available publicly.

All submissions should refer to File Number SR-BX-2012-037 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.¹⁴

Kevin M O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Rules of NASDAQ OMX BX**7000. Charges for Membership, Services, and Equipment****7001. Membership Fees**

(a) Each Exchange member will be assessed a membership fee of \$3,000 per year and a trading rights fee of \$500 per month. The membership fee will be imposed on all persons that are Exchange members as of a date determined by the Exchange in December of each year, and the trading rights fee will be assessed on all persons that are Exchange members as of a date determined by the Exchange in each month. The fees are not refundable in the event that a person ceases to be an Exchange member following the date on which the fees are assessed. [The trading rights fee will be waived for the first month during which the NASDAQ OMX BX Equities Market commences operations and each month prior to that time, and the annual membership fee will be waived for all of 2008 and will be reduced in a pro rata fashion with respect to any months during which the trading rights fee is waived. Thus, if the NASDAQ OMX BX Equities Market commences operations on January 12, 2009, the trading rights fee would be waived for January 2009 and the membership fee for 2009 would be \$2750.] The membership fee and the trading rights fee will be waived for BX Members, approved pursuant to Exchange Rules, who solely conduct an options business.

(b) Applicants for membership in the Exchange will be assessed a non-refundable application fee of \$2,000. [The fee will be waived for applicants for membership that apply before the NASDAQ OMX BX Equities Market commences operations.] The application fee will be waived for BX Members, approved pursuant to Exchange Rules, who solely conduct an options business.

* * * * *

7030. Other Services

(a) Reserved

(b) Other Requests for Data

The Exchange may impose and collect compensatory charges for data the Exchange supplied upon request, where there is no provision elsewhere in this Rule 7000 Series for charges for such service or sale.

(c) Reserved

(d) Testing Facility

(1) Subscribers that conduct tests of their Exchange access protocols connection or market data vendor feeds through the Exchange's Testing Facility (Testing Facility) shall pay \$300 per port, per month. This fee will be waived for BX Options testing.

(2) (A) An "Active Connection" commences when the user begins to send and/or receive a transaction to and from the Testing Facility and continues until the earlier of disconnection or the commencement of an Idle Connection.

(B) An "Idle Connection" commences after a Period of Inactivity and continues until the earlier of disconnection or the commencement of an Active Connection. If a Period of Inactivity occurs immediately after subscriber's connection to the Testing Facility is established and is then immediately followed by an Idle Connection, then such Period of Inactivity shall also be deemed a part of the Idle Connection.

(C) A "Period of Inactivity" is an uninterrupted period of time of specified length when the connection is open but the Testing Facility is not receiving from or sending to subscriber any transactions. The length of the Period of Inactivity shall be such period of time between 10 minutes and 60 minutes in length as the Exchange may specify from time to time by giving notice to users of the Testing Facility.

(3) The foregoing fees shall not apply to testing occasioned by:

(A) new or enhanced services and/or software provided by the Exchange;

(B) modifications to software and/or services initiated by the Exchange in response to a contingency; or

(C) testing by a subscriber of an Exchange service that the subscriber has not used previously, except if more than 30 days have elapsed since the subscriber commenced the testing of such Exchange service.

* * * * *

7035. Annual Administrative Fee

The Annual Administrative Fee shall be assessed to market data distributors that receive any proprietary Exchange data feed product. Each such distributor shall, on an annual basis, be assessed the higher of the applicable Annual Administrative Fees:

Delayed distributor	\$500
Real-Time distributor (includes delayed fee, if applicable)	\$1,000

The Exchange may waive the foregoing fee for colleges and universities for devices used by students and professors in performing university or college research or classroom-related

activities. The Annual Administrative Fee will be waived for BX Members, approved pursuant to Exchange Rules, who solely conduct an options business.

* * * * *