

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="30"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2014"/> - * <input type="text" value="092"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	---	--

Filing by **NASDAQ Stock Market**  
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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	<input type="checkbox"/> 19b-4(f)(6)
			<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)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input checked="" type="checkbox"/>	Exhibit 3 Sent As Paper Document <input checked="" type="checkbox"/>
--	--

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

A proposed rule change to amend fees assessed to clients for wireless connectivity that enables clients to receive data from the New York Stock Exchange and NASDAQ.

**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 action.

First Name * <input type="text" value="Sean"/>	Last Name * <input type="text" value="Bennett"/>
Title * <input type="text" value="Associate General Counsel"/>	
E-mail * <input type="text" value="sean.bennett@nasdaqomx.com"/>	
Telephone * <input type="text" value="(301) 978-8499"/>	Fax <input type="text" value="(301) 978-8472"/>

**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.

(Title \*)

Date <input type="text" value="09/04/2014"/>	Executive Vice President and General Counsel
By <input type="text" value="Edward S. Knight"/>	
(Name *)	

Persona Not Validated - 1383935917270,

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.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

Add Remove View

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 \***

Add Remove View

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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

Add Remove View

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, security-based swap submission, or advance notice 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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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) 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> The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend fees assessed to clients for wireless connectivity that enables clients to receive data from the New York Stock Exchange (“NYSE”) and NASDAQ. Specifically, NASDAQ proposes to amend fees assessed for wireless connectivity for co-located clients in NASDAQ’s Carteret data center to receive NYSE, and NYSE ARCA multi-cast market data feeds. It also proposes to amend fees assessed for remote multi-cast ITCH (“MITCH”) Wave Ports for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data will be distributed after delivery to those data centers via wireless network.

While the proposed changes to the rules pursuant to this proposal are effective upon filing, the Exchange has designated that they become operative on October 1, 2014. A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule 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 NASDAQ on July 16, 2014.

---

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

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

No other action by the Exchange is necessary for the filing of the rule change. The Exchange will implement the new fees on October 1, 2014.

Questions regarding this rule filing may be directed to T. Sean Bennett, Associate General Counsel, NASDAQ OMX, at (301) 978-8499.

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

a. Purpose

NASDAQ is proposing to amend fees assessed under NASDAQ Rule 7034 for the delivery of third-party market data to co-located clients in NASDAQ's Carteret data center clients via a wireless network using millimeter wave or microwave technology. NASDAQ is also proposing to amend fees assessed under NASDAQ Rule 7015 for remote Multi-cast ITCH Wave Ports for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data will be distributed after delivery to those data centers via wireless network.

*Changes to NYSE Wireless Connectivity*

NASDAQ offers optional wireless connectivity to clients who had requested such connectivity for other markets' data. NASDAQ uses network vendors to supply wireless connectivity from the Carteret, NJ data center to the data centers of other exchanges.<sup>3</sup> The vendor installs, tests and maintains the necessary communication equipment for this wireless network between the data centers. The wireless connectivity is an optional alternative to fiber optic network connectivity, providing lower latency because the wireless signals travel a straight, unimpeded line and because light waves travel faster

---

<sup>3</sup> NASDAQ OMX acts as re-distributor of these third-party market data feeds, capturing the data at the originating data centers and transporting the data to the Carteret data center.

through air than through glass (fiber optics). Because wireless transmission of such data requires an unimpeded line of sight between Carteret and the data center of the market to which it is connecting, NASDAQ and its vendors incur costs associated with maintaining hardware and leasing towers on which its microwave dishes and the associated hardware are mounted, which generally increase as distance between data centers increase.<sup>4</sup>

NASDAQ originally planned to create wireless connections to a data center in Newark used by NYSE as a SFTI Network Point of Presence, which is approximately 15 miles from NASDAQ's Carteret data center. In 2013, NYSE began to allow wireless vendors and telco vendors to connect directly to its data center in Mahwah, NJ,<sup>5</sup> which is approximately 40 miles from Carteret. Because the wireless data feeds are designed to offer high-speed and low latency,<sup>6</sup> NASDAQ determined to direct its wireless vendors to connect to the Mahwah data center instead of the Newark SFTI Point of Presence. As a consequence, NASDAQ is proposing to increase the fees assessed under Rules 7015(d) and 7034(b) relating to connectivity to data received wirelessly to and from Mahwah, which will help offset greater costs incurred in leasing towers, and purchasing and maintaining wireless equipment to cover the increased distance as well as the higher costs to house equipment and connections within the Mahwah data center.

*Wireless Connectivity in Carteret*

---

<sup>4</sup> Because direct line of sight between Carteret and the data centers of other exchanges is not possible, NASDAQ's vendors leases as many towers and associated equipment as needed to ensure an unbroken line of sight between individual towers, repeating the signal until it arrives at its destination.

<sup>5</sup> See <http://www1.nyse.com/press/1337855269042.html>.

<sup>6</sup> Wireless connectivity is an optional alternative to higher latency fiber optic network connectivity.

Under Rule 7034(b), clients are assessed a \$2,500 installation fee (a non-recurring charge) and a monthly recurring charge (“MRC”) that varies depending upon the feed. The MRC for the NYSE multi-cast equities data feed, which includes NYSE ArcaBook Highspeed and NYSE OpenBook (Aggregated or Ultra), is \$10,000; the MRC for BATS Multicast PITCH, which includes BZX and BYX, is \$7,500; and the MRC for Direct Edge Depth of Book multi-cast feed, which includes EDGA and EDGX, is \$7,500. The rates are higher for the NYSE feeds because the two feeds are larger, and take up more bandwidth than the BATS and Direct Edge feeds.

Recently, NYSE announced that it is phasing out its ArcaBook High Speed data feed,<sup>7</sup> leaving the Arca Integrated data feed, which is a low-latency alternative to ArcaBook High Speed data,<sup>8</sup> as the primary and popular data feed for Arca. Arca Integrated data feed has greater data bandwidth requirements than the ArcaBook High Speed data feed and, as a consequence, NASDAQ can no longer offer both the NYSE and Arca feeds through a single wireless connection. Accordingly, NASDAQ is proposing to offer separately NYSE Open Book<sup>9</sup> and Arca Integrated data feeds.

NASDAQ is also proposing to increase the fee assessed for wireless connectivity to the NYSE and Arca feeds. As noted above, NASDAQ currently assesses a one-time installation fee of \$2,500, and an MRC of \$10,000 for wireless connectivity to the NYSE and Arca data feeds under Rule 7034(d). NASDAQ is proposing to assess an installation

---

<sup>7</sup> See <http://www.nyxdata.com/nysedata/default.aspx?tabid=993&id=2338>.

<sup>8</sup> NYSE describes the Arca Integrated feed as a real time data feed that provides a “unified view of events, in sequence as they appear on the NYSE Arca matching engine.” See <http://www.nyxdata.com/page/1084>.

<sup>9</sup> The Exchange notes that NYSE has renamed its Ultrabook data feed.

fee of \$5,000 and a monthly subscription fee of \$12,500. NASDAQ notes that the proposed new fees are greater than the fee currently assessed for the Open Book Ultra and ArcaBook High Speed data feeds due to the greater bandwidth requirements and increased costs associated with connectivity to the Mahwah data center.

*Remote Multi-cast ITCH (MITCH) Wave Ports*

NASDAQ is also proposing to increase the fees currently assessed for MITCH Wave Ports for clients connecting to the NYSE Mahwah data center. NASDAQ currently assesses an installation charge for the remote port, at each of the data center locations, of \$2,500 for installation, and \$7,500 as an MRC.<sup>10</sup> Each of the data centers that a client may subscribe to is approximately the same distance from the Carteret data center, including NYSE's Newark STFI Point of Presence. As discussed above, NASDAQ will be providing a direct connection to NYSE's data center in Mahwah, which is significantly farther from Carteret. NASDAQ incurs higher costs for housing its equipment at Mahwah, including higher fees for power, cabinets and connections. Moreover and as noted above, the Exchange and its vendors incur higher costs in leasing towers and equipment to connect Carteret to Mahwah. As a consequence, NASDAQ is proposing to increase the one-time installation charge to \$5,000, and the MRC to \$12,500.

---

<sup>10</sup> Clients opting to pay for the remote MITCH Wave Ports will continue to be fee liable for the applicable market data fees as described in NASDAQ Rules 7019, 7023, and 7026.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>11</sup> in general, and with Sections 6(b)(4) and (b)(5) of the Act,<sup>12</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, and is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading activities of those members who believe that co-location enhances the efficiency of their trading. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of such members. If a particular exchange charges excessive fees for co-location services, affected members will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including co-locating with a different exchange, placing their servers in a physically proximate location outside the exchange's data center, or pursuing trading strategies not dependent upon co-location. Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also revenues associated with the execution of orders routed to it by affected members.

---

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(4) and (5).



Moreover, the Exchange believes the proposed increased fees are reasonable because they are based on the Exchange's increased costs incurred in connecting to Mahwah. As discussed, the greater distance between Carteret and Mahwah results in greater costs incurred by the Exchange and its vendors, and the Exchange is assessed higher charges for housing its equipment at Mahwah as compared to Newark. The proposed fees allow the Exchange to recoup these costs and make a profit, while providing clients the ability to reduce latency in the transmission of data by connecting directly to NYSE's data center wirelessly.

The Exchange believes the proposed increased fees are equitably allocated in that all clients that voluntarily select connect to, and receive data from, NYSE through these services are charged the same amount for the same services. Although the proposed fees are higher than the fees charged for connectivity to other exchanges' data centers, they are reflective of the increased costs associated with connecting to the Mahwah data center. Accordingly, the increased fees are allocated equitably on those that receive the benefit of the connectivity.

The Exchange's proposal is also consistent with the requirement of Section 6(b)(5) of the Act that Exchange rules be designed to promote just and equitable principles of trade to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair

discrimination between clients, issuers, brokers, or dealers. The proposal is consistent with these requirements because it provides an optional connectivity, which promotes low-latency transfer of data to market participants. As is true of all co-location services, all co-located clients have the option to select this voluntary connectivity option, and there is no differentiation among clients with regard to the fees charged for the wireless connectivity to, and wirelessly-received data from Mahwah.

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

NASDAQ 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. To the contrary, this proposal will promote competition for distribution of market data by offering an optional direct connection to the NYSE data center, which will improve the latency of the connection currently available through NYSE's STFI Point of Presence in Newark. As discussed above, the Exchange believes that fees for co-location services, including those proposed for microwave connectivity, are constrained by the robust competition for order flow among exchanges and non-exchange markets, because co-location exists to advance that competition. Further, excessive fees for co-location services, including for wireless technology, would serve to impair an exchange's ability to compete for order flow rather than burdening competition.

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,<sup>13</sup> NASDAQ 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

Not applicable.

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Exchange Rules 7015 and 7034.

---

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

**EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NASDAQ-2014-092)

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change to Amend Fees for Optional Wireless Connectivity for Co-located Clients

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 September 4, 2014, The NASDAQ Stock Market LLC (“NASDAQ” 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 amend fees assessed clients for wireless connectivity that enables clients to receive data from the New York Stock Exchange (“NYSE”) and NASDAQ. Specifically, NASDAQ proposes to amend fees assessed for wireless connectivity for co-located clients in NASDAQ’s Carteret data center to receive NYSE, and NYSE ARCA multi-cast market data feeds. It also proposes to amend fees assessed for remote multi-cast ITCH (“MITCH”) Wave Ports for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data will be distributed after delivery to those data centers via wireless network. While the proposed changes to the rules pursuant to this proposal are effective upon filing, the Exchange has

---

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

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

designated that they become operative on October 1, 2014. The text of the proposed rule change is available at <http://nasdaq.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 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 amend fees assessed under NASDAQ Rule 7034 for the delivery of third-party market data to co-located clients in NASDAQ's Carteret data center clients via a wireless network using millimeter wave or microwave technology. NASDAQ is also proposing to amend fees assessed under NASDAQ Rule 7015 for remote Multi-cast ITCH Wave Ports for clients co-located at other third-party data centers, through which NASDAQ TotalView ITCH market data will be distributed after delivery to those data centers via wireless network.

*Changes to NYSE Wireless Connectivity*

NASDAQ offers optional wireless connectivity to clients who had requested such connectivity for other markets' data. NASDAQ uses network vendors to supply wireless

connectivity from the Carteret, NJ data center to the data centers of other exchanges.<sup>3</sup>

The vendor installs, tests and maintains the necessary communication equipment for this wireless network between the data centers. The wireless connectivity is an optional alternative to fiber optic network connectivity, providing lower latency because the wireless signals travel a straight, unimpeded line and because light waves travel faster through air than through glass (fiber optics). Because wireless transmission of such data requires an unimpeded line of sight between Carteret and the data center of the market to which it is connecting, NASDAQ and its vendors incur costs associated with maintaining hardware and leasing towers on which its microwave dishes and the associated hardware are mounted, which generally increase as distance between data centers increase.<sup>4</sup>

NASDAQ originally planned to create wireless connections to a data center in Newark used by NYSE as a SFTI Network Point of Presence, which is approximately 15 miles from NASDAQ's Carteret data center. In 2013, NYSE began to allow wireless vendors and telco vendors to connect directly to its data center in Mahwah, NJ,<sup>5</sup> which is approximately 40 miles from Carteret. Because the wireless data feeds are designed to offer high-speed and low latency,<sup>6</sup> NASDAQ determined to direct its wireless vendors to

---

<sup>3</sup> NASDAQ OMX acts as re-distributor of these third-party market data feeds, capturing the data at the originating data centers and transporting the data to the Carteret data center.

<sup>4</sup> Because direct line of sight between Carteret and the data centers of other exchanges is not possible, NASDAQ's vendors leases as many towers and associated equipment as needed to ensure an unbroken line of sight between individual towers, repeating the signal until it arrives at its destination.

<sup>5</sup> See <http://www1.nyse.com/press/1337855269042.html>.

<sup>6</sup> Wireless connectivity is an optional alternative to higher latency fiber optic network connectivity.

connect to the Mahwah data center instead of the Newark SFTI Point of Presence. As a consequence, NASDAQ is proposing to increase the fees assessed under Rules 7015(d) and 7034(b) relating to connectivity to data received wirelessly to and from Mahwah, which will help offset greater costs incurred in leasing towers, and purchasing and maintaining wireless equipment to cover the increased distance as well as the higher costs to house equipment and connections within the Mahwah data center.

*Wireless Connectivity in Carteret*

Under Rule 7034(b), clients are assessed a \$2,500 installation fee (a non-recurring charge) and a monthly recurring charge (“MRC”) that varies depending upon the feed. The MRC for the NYSE multi-cast equities data feed, which includes NYSE ArcaBook Highspeed and NYSE OpenBook (Aggregated or Ultra), is \$10,000; the MRC for BATS Multicast PITCH, which includes BZX and BYX, is \$7,500; and the MRC for Direct Edge Depth of Book multi-cast feed, which includes EDGA and EDGX, is \$7,500. The rates are higher for the NYSE feeds because the two feeds are larger, and take up more bandwidth than the BATS and Direct Edge feeds.

Recently, NYSE announced that it is phasing out its ArcaBook High Speed data feed,<sup>7</sup> leaving the Arca Integrated data feed, which is a low-latency alternative to ArcaBook High Speed data,<sup>8</sup> as the primary and popular data feed for Arca. Arca Integrated data feed has greater data bandwidth requirements than the ArcaBook High Speed data feed and, as a consequence, NASDAQ can no longer offer both the NYSE

---

<sup>7</sup> See <http://www.nyxdata.com/nysedata/default.aspx?tabid=993&id=2338>.

<sup>8</sup> NYSE describes the Arca Integrated feed as a real time data feed that provides a “unified view of events, in sequence as they appear on the NYSE Arca matching engine.” See <http://www.nyxdata.com/page/1084>.

and Arca feeds through a single wireless connection. Accordingly, NASDAQ is proposing to offer separately NYSE Open Book<sup>9</sup> and Arca Integrated data feeds.

NASDAQ is also proposing to increase the fee assessed for wireless connectivity to the NYSE and Arca feeds. As noted above, NASDAQ currently assesses a one-time installation fee of \$2,500, and an MRC of \$10,000 for wireless connectivity to the NYSE and Arca data feeds under Rule 7034(d). NASDAQ is proposing to assess an installation fee of \$5,000 and a monthly subscription fee of \$12,500. NASDAQ notes that the proposed new fees are greater than the fee currently assessed for the Open Book Ultra and ArcaBook High Speed data feeds due to the greater bandwidth requirements and increased costs associated with connectivity to the Mahwah data center.

*Remote Multi-cast ITCH (MITCH) Wave Ports*

NASDAQ is also proposing to increase the fees currently assessed for MITCH Wave Ports for clients connecting to the NYSE Mahwah data center. NASDAQ currently assesses an installation charge for the remote port, at each of the data center locations, of \$2,500 for installation, and \$7,500 as an MRC.<sup>10</sup> Each of the data centers that a client may subscribe to is approximately the same distance from the Carteret data center, including NYSE's Newark STFI Point of Presence. As discussed above, NASDAQ will be providing a direct connection to NYSE's data center in Mahwah, which is significantly farther from Carteret. NASDAQ incurs higher costs for housing its equipment at Mahwah, including higher fees for power, cabinets and connections.

---

<sup>9</sup> The Exchange notes that NYSE has renamed its Ultrabook data feed.

<sup>10</sup> Clients opting to pay for the remote MITCH Wave Ports will continue to be fee liable for the applicable market data fees as described in NASDAQ Rules 7019, 7023, and 7026.



Moreover and as noted above, the Exchange and its vendors incur higher costs in leasing towers and equipment to connect Carteret to Mahwah. As a consequence, NASDAQ is proposing to increase the one-time installation charge to \$5,000, and the MRC to \$12,500.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>11</sup> in general, and with Sections 6(b)(4) and (b)(5) of the Act,<sup>12</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, and is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading activities of those members who believe that co-location enhances the efficiency of their trading. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of such members. If a particular exchange charges excessive fees for co-location services, affected members will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including co-locating with a different exchange, placing their servers in a physically proximate location outside the exchange's data center, or pursuing trading strategies not dependent upon co-location.

---

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(4) and (5).

Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also revenues associated with the execution of orders routed to it by affected members.

Moreover, the Exchange believes the proposed increased fees are reasonable because they are based on the Exchange's increased costs incurred in connecting to Mahwah. As discussed, the greater distance between Carteret and Mahwah results in greater costs incurred by the Exchange and its vendors, and the Exchange is assessed higher charges for housing its equipment at Mahwah as compared to Newark. The proposed fees allow the Exchange to recoup these costs and make a profit, while providing clients the ability to reduce latency in the transmission of data by connecting directly to NYSE's data center wirelessly.

The Exchange believes the proposed increased fees are equitably allocated in that all clients that voluntarily select connect to, and receive data from, NYSE through these services are charged the same amount for the same services. Although the proposed fees are higher than the fees charged for connectivity to other exchanges' data centers, they are reflective of the increased costs associated with connecting to the Mahwah data center. Accordingly, the increased fees are allocated equitably on those that receive the benefit of the connectivity.

The Exchange's proposal is also consistent with the requirement of Section 6(b)(5) of the Act that Exchange rules be designed to promote just and equitable principles of trade to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and

facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between clients, issuers, brokers, or dealers. The proposal is consistent with these requirements because it provides an optional connectivity, which promotes low-latency transfer of data to market participants. As is true of all co-location services, all co-located clients have the option to select this voluntary connectivity option, and there is no differentiation among clients with regard to the fees charged for the wireless connectivity to, and wirelessly-received data from Mahwah.

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

NASDAQ 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. To the contrary, this proposal will promote competition for distribution of market data by offering an optional direct connection to the NYSE data center, which will improve the latency of the connection currently available through NYSE's STFI Point of Presence in Newark. As discussed above, the Exchange believes that fees for co-location services, including those proposed for microwave connectivity, are constrained by the robust competition for order flow among exchanges and non-exchange markets, because co-location exists to advance that competition. Further, excessive fees for co-location services, including for wireless technology, would serve to impair an exchange's ability to compete for order flow rather than burdening competition.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>13</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.

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, 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

---

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2014-092 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-NASDAQ-2014-092. 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-NASDAQ-2014-092, 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>14</sup>

Kevin M. O'Neill  
Deputy Secretary

---

<sup>14</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are bracketed.

## NASDAQ Stock Market Rules

**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 Chapter XV, Section 3 of the Options Rules.

(a) – (f) No change.

(g) Other Port Fees

## Remote Multi-cast ITCH Wave Ports

<b>Description</b>	<b>Installation Fee</b>	<b>Recurring Monthly Fee</b>
MITCH Wave Port at Secaucus, NJ	\$2,500	\$7,500
MITCH Wave Port at Weehawken, NJ	\$2,500	\$7,500
MITCH Wave Port at [Newark]Mahwah, NJ	[\$2,500] <u>5,000</u>	[\$7,500] <u>12,500</u>

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

- \$550 per month for each port pair, other than Multicast ITCH® data feed pairs, for which the fee is \$1,000 per month for software-based TotalView-ITCH or \$2,500 per month for combined software- and hardware-based TotalView-ITCH, and TCP ITCH data feed pairs, for which the

fee is \$750 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.

**Dedicated OUCH Port Infrastructure**

The Dedicated OUCH Port Infrastructure subscription allows a member firm to assign up to 30 of its OUCH ports to a dedicated server infrastructure for its exclusive use. A Dedicated OUCH Port Infrastructure subscription is available to a member firm for a fee of \$5,000 per month, which is in addition to the standard fees assessed for each OUCH port. A one-time installation fee of \$5,000 is assessed subscribers for each Dedicated OUCH Port Server subscription.

**(h)** No change.

\* \* \* \* \*

**7034. Co-Location Services**

The following charges are assessed by NASDAQ for co-location services: <sup>1</sup>

**(a)** No change.

**(b)** Connectivity

---

**External Telco /Inter-Cabinet Connectivity**

---

<b>Description</b>	<b>Installation Fee</b>	<b>Ongoing Monthly Fee</b>
Category 6 Cable patch	\$300	\$350*
DS-3 Connection	\$500	\$350*
Fiber	\$500	\$350*

---



POTS Line	\$0	\$50
-----------	-----	------

---

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 Area Destination	\$4,850**	\$4,100**
---	-----------	-----------

---

1G Connectivity - Toronto Area Destination	\$7,700**	\$9,850**
--	-----------	-----------

---

10G Connectivity - Toronto Area Destination	\$14,200**	\$28,400**
---	------------	------------

---

100MB Connectivity - Chicago Area Destination	\$3,500**	\$7,350**
---	-----------	-----------

---

1G Connectivity - Chicago Area Destination	\$4,900**	\$12,800**
---	-----------	------------

---

10G Connectivity - Chicago Area Destination	\$10,650**	\$26,900**
--	------------	------------

---

\* 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\*

Description	Installation Fee	Ongoing Monthly Fee
-------------	------------------	---------------------

---

Fiber Connection to Nasdaq (10Gb)	\$1,000	\$10,000
--------------------------------------	---------	----------

---

Fiber Connection to Nasdaq (10Gb Ultra)	\$1,500	\$15,000
--	---------	----------

---

Fiber Connection to Nasdaq (40Gb)	\$1,500	\$20,000
--------------------------------------	---------	----------

---

Fiber Connection to Nasdaq (1Gb Ultra)	\$1,500**	\$2,500
---	-----------	---------

---

Fiber Connection to Nasdaq (1Gb)	\$1,000	\$2,500
-------------------------------------	---------	---------

---

1Gb Copper Connection to	\$1,000	\$2,500
--------------------------	---------	---------

Nasdaq

---

\* The connectivity provided under this rule also provides connectivity to the other markets of NASDAQ OMX BX, Inc. and NASDAQ OMX PHLX LLC.

\*\*The installation fee will be waived for customers that complete new orders for 10Gb Ultra connection to Nasdaq prior to January 31, 2014.

---

### Market Data Connectivity\*

**The following Market Data feeds are delivered to the NASDAQ OMX Data Center via a fiber optic network:**

---

Description	Installation Fee	Ongoing Monthly Fee
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
<hr/>		
Arca Trades		\$100
<hr/>		
ArcaBook Multicast		\$1,500
<hr/>		
Arca BBO		\$125
<hr/>		
AMEX- Ultra/Trades/Alerts/LRP		\$100
<hr/>		
OPRA		\$6,000
<hr/>		
CME	\$1,000	\$3,500
<hr/>		
Access Fee per location device/user		\$65
<hr/>		
BATS Multicast PITCH	\$1,000	
<hr/>		
BATS		\$4,000
<hr/>		
BATS Y		\$1,500
<hr/>		
Direct Edge	\$1,000	
<hr/>		

EDGA	\$2,500
------	---------

---

EDGX	\$2,500
------	---------

---

TSX/TSXV	\$1,000
----------	---------

---

TSX and TSXV Level 1 Feed	\$300
---------------------------	-------

---

TSX and TSVX Level 2 Feed	\$1,000
---------------------------	---------

---

TSX Quantum Level 1 Feed	\$100
--------------------------	-------

---

TSX Quantum Level 2 Feed	\$300
--------------------------	-------

---

\*Pricing is for 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 is not the exclusive method to get market data connectivity. Market data fees are charged independently by the Nasdaq Stock Market and other exchanges.

The following multicast Market Data feeds are delivered to the NASDAQ OMX Data Center via a wireless network (microwave or millimeter wave):

Description	Installation Fee	Recurring Monthly Fee
NYSE Equities ( <u>Arca Integrated</u> )[(Open Book Ultra or Aggregated and ArcaBook High Speed)]	[\$2,500]5,000	[\$10,000]12,500

---

<u>NYSE Equities (Open Book)</u>	<u>\$5,000</u>	<u>\$12,500</u>
----------------------------------	----------------	-----------------

---

BATS Multicast PITCH (BZY and BYX)	\$2,500	\$7,500
------------------------------------	---------	---------

---

Direct EDGE Depth of Book (EDGA, EDGX)	\$2,500	\$7,500
--	---------	---------

---

CME Multicast Total	\$5,000	\$23,500
---------------------	---------	----------

---

CME Equities Futures Data Only		\$10,000
--------------------------------	--	----------

---

CME Fixed Income Futures Data Only		\$10,000
------------------------------------	--	----------

---

CME Metals Futures Data Only		\$3,500
------------------------------	--	---------

---

(c) - (d) No change.

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