



THE NASDAQ STOCK MARKET  
ONE LIBERTY PLAZA, 50TH FLOOR  
NEW YORK, NY 10006

May 9, 2006

Nancy M. Morris  
Secretary  
United States Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re: SR-NASD-2006-026 and SR-NASD-2006-027: Clarification to Response to Comment**

Dear Ms. Morris:

The Nasdaq Stock Market, Inc. (“Nasdaq”) appreciates the opportunity to respond to the request of the Securities and Exchange Commission (the “SEC”) for clarification regarding the comment letter that was submitted to the SEC on April 20, 2006 concerning the above-captioned rule filings,<sup>1</sup> which relate to the fees charged by Nasdaq for access through the Computer-to-Computer Interface (“CTCI”) protocol.

The type of messaging that is referenced in the FTEN letter are messages that our Nasdaq Market Center Post Trade system (ACT) provides to clearing firms containing details about trades executed by their correspondent firms. These clearing firm messages are, by default, consolidated over a single port to the clearing firm and are provided in the same manner over the FIX protocol to firms as they are over the CTCI protocol to firms. Therefore, a clearing firm will pay Nasdaq for the necessary ports, not based on the quantity of their correspondent firms, but based on their own technical considerations. In addition, since firms now have the same choices of connectivity for CTCI as they do for FIX, they have an opportunity to pay equivalent fees for their bandwidth. The cost for a CTCI station (\$600/month) is slightly more than FIX (\$500/month) because the infrastructure to support CTCI for Market Center Post Trade is slightly more expensive to operate than FIX.

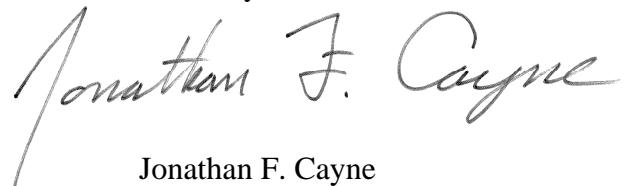
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<sup>1</sup> Letter from M. Gary LaFever, Executive Vice President & General Counsel, FTEN, Inc., to Nancy M. Morris, Secretary, SEC (March 31, 2006).

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Please call me at (301) 978-8493 or John M. Yetter at (301) 978-8497 if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Jonathan F. Cayne". The signature is fluid and cursive, with "Jonathan" on the first line and "F. Cayne" on the second line.

Jonathan F. Cayne  
Associate General Counsel

cc: Katherine England, Division of Market Regulation  
Joseph Morra, Division of Market Regulation