

November 29, 2006

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



Re: File Number SR-NASDAQ-2006-040

Dear Ms. Morris:

First Federal Bankshares, Inc (NASDAQ: FFSX) is listed on the NASDAQ Global Market and has been a NASDAQ customer since 1992. We have read File No. SR-NASDAQ2006-040 "*Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto, to Modify Certain Fees for Listing on The Nasdaq Stock Market and to Make Available Products and Services Intended to Assist Companies With Their Disclosure and Regulatory Obligations, Shareholder Communications, and Other Corporate Objectives.*" FFSX is strongly opposed to NASDAQ's proposal to increase annual listing fees and the fees for listing of additional shares. Specifically, the proposal indicates that the increased fees will include bundling news releases provided by PrimeZone (which NASDAQ acquired earlier in 2006), Form 8-K EDGAR filings, and webcast services that NASDAQ intends to provide.

The bundling of ancillary services with listing fees is unfair to NASDAQ customers and is anti-competitive by its very nature. NASDAQ customers that choose not to use such ancillary services will be effectively subsidizing the service for NASDAQ customers that choose to use the ancillary services. Furthermore, third-party organizations that currently provide these ancillary services in direct competition to NASDAQ will be placed at a competitive disadvantage. Finally, given the non-negotiable nature of NASDAQ listing fees, NASDAQ will have little incentive to improve the quality of the ancillary services it provides.

NASDAQ should not be permitted to bundle ancillary services with their listing fees. We respectfully request that the Securities and Exchange Commission reject this proposal. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael W. Dosland', written in a cursive style.

Michael W. Dosland
President and Chief Executive Officer