SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54296; File No. SR-ISE-2006-30)

August 9, 2006

Self-Regulatory Organizations; International Securities Exchange, Inc.; Order Approving a Proposed Rule Change, and Amendment No. 1 Thereto, Increasing the Linkage Inbound Principal Order Fee

On June 5, 2006, the International Securities Exchange, Inc. ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] a proposed rule change to amend its Schedule of Fees in the manner described below. On June 29, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.[3] The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on July 10, 2006.[4] The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.

The Exchange proposes to amend its Schedule of Fees to increase the Linkage Inbound Principal Order fee from $.15 per contract to $.24 per contract. This proposed rule change will remain in effect as part of an existing pilot program, which is scheduled to expire on July 31, 2007.[5]

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Amendment No. 1 is described in Securities Exchange Act Release No. 54074 (June 30, 2006), 71 FR 38917 (July 10, 2006).

4 See id.

5 See Securities Exchange Act Release No. 54204 (July 25, 2006), 71 FR 43548 (August 1, 2006) (SR-ISE-2006-38) (extending the expiration date of the pilot program from July 31, 2006 to July 31, 2007).

The Commission has reviewed carefully the proposed rule change as amended and finds that it is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[6] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(4) of the Act,[7] which requires that an exchange have an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Commission notes that the proposed fee is similar to the one established by the Philadelphia Stock Exchange, Inc. earlier this year.[8]

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6 In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. See 15 U.S.C. 78c(f).

7 15 U.S.C. 78f(b)(4).

8 See Securities Exchange Act Release No. 53650 (April 13, 2006), 71 FR 20430 (April 20, 2006) (SR-Phlx-2006-22) (increasing the fee for inbound P Orders sent via the Linkage from $.15 per option contract to $.25 per option contract).

IT IS THEREFORE ORDERED, pursuant to section 19(b)(2) of the Act,[9] that the proposed rule change (SR-ISE-2006-30) as amended be, and hereby is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[10]

Nancy M. Morris
Secretary

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[9] 15 U.S.C. 78s(b)(2).

[10] 17 CFR 200.30-3(a)(12).