

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54074; File No. SR-ISE-2006-30)

June 30, 2006

Self-Regulatory Organizations; International Securities Exchange, Inc.; Notice of Filing of Proposed Rule Change, and Amendment No. 1 Thereto, to Increase the Linkage Inbound Principal Order Fee

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 June 5, 2006, the International Securities Exchange, Inc. ("ISE" 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 ISE. On June 29, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Schedule of Fees to change the Linkage Inbound Principal Order ("P Order") fee. The text of the proposed rule change is available at the Commission's Public Reference Room, at the Exchange and at the Exchange's Web site (http://www.iseoptions.com/legal/proposed_rule_changes.asp).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange proposed to delete certain language in its Schedule of Fees.

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 as amended 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

The Exchange proposes to amend its Schedule of Fees to increase from \$0.15 to \$0.24, per contract, the P Order fee for orders sent to the Exchange via the Intermarket Options Linkage pursuant to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (“Plan”).⁴ This proposed rule change will remain in effect as part of an existing pilot program, which is scheduled to expire on July 31, 2006.⁵ Additionally, in order to implement this proposed rule change, the Exchange is creating two new line items in its Schedule of Fees: one for Linkage P Orders and one for

⁴ See Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000) (order approving the Plan and ISE as a participant in the Plan).

⁵ Fees for Linkage P and P/A Orders are currently subject to a pilot program scheduled to expire on July 31, 2006. See Exchange Act Release No. 52168 (July 29, 2005), 70 FR 45454 (August 5, 2005) (SR-ISE-2005-32).

Linkage P/A Orders.⁶ Both these fees are currently found in the Schedule of Fees under the Firm Proprietary line item.

2. Statutory Basis

The Exchange states that the basis for this proposed rule change is the requirement under 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.

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

The Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or

⁶ The fee for Linkage P/A Orders is not subject to change pursuant to this filing, and would remain at \$0.15 per contract. As before, (1) both Linkage P and Linkage P/A Orders shall remain subject to a comparison fee of \$0.03 per contract, and (2) Satisfaction Orders are excluded from these fees.

⁷ 15 U.S.C. 78f(b)(4).

(ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve such proposed rule change; or
- (B) institute proceedings to determine whether the proposed rule change should be 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
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-ISE-2006-30 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-ISE-2006-30. 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 Commissions 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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. 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-ISE-2006-30 and should be submitted on or before [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Nancy M. Morris
Secretary

⁸ 17 CFR 200.30-3(a)(12).