

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-64292; File No. SR-ISE-2011-22)

April 11, 2011

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Network Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 7, 2011, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission the proposed rule change, as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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 Substance of the Proposed Rule Change

The ISE is proposing to adopt fees for a 10 Gigabit network connection. The text of the proposed rule change is available on the Exchange's website (<http://www.ise.com>), at the principal office of the Exchange, 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 self-regulatory organization 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 self-

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

regulatory organization 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 purpose of this proposed rule change is to amend the Exchange's Schedule of Fees to adopt fees for a 10 Gigabit (GB) network connection. The Exchange currently has a tiered structure for the Ethernet/Managed Service Provider fee charged to Members. The Ethernet/Managed Service Provider fee is a fee charged to ISE Members to access the ISE's trading system via an Ethernet connection or via a third-party managed service provider. The Ethernet/Managed Service Provider connection carries the same information (such as quotation and trade information) as other forms of connection (such as T-1 and T-3 point-to-point connections).

An Ethernet/Managed Service Provider connection enables users to acquire bandwidth in megabit increments. The Exchange currently charges Members \$100 per month for a member's purchase of up to 10 Megabits (MBs) of connection speed, \$250 per month for the purchase of 11-100 MBs of connection speed and \$500 per month for the purchase of 101 MBs - 1 GB of connection speed. These fees are charged on a per connection basis.

The Exchange is scheduled to launch an enhanced trading platform called Optimise on April 11, 2011. Upon transitioning to the Optimise trading platform, ISE will offer a new network connectivity option for Members. One of the many perceived advantages that the Optimise trading platform will offer is greatly improved capacity and throughput. To allow Members to maximize Optimise's low latency, ISE will offer a

connectivity option of 10 GBs. ISE proposes to charge Members a fee of \$4,000 per month for this 10 GB connection. ISE will retain the current Ethernet connectivity options that are available to Members today.

Once Optimise is rolled out, and until the Exchange has fully transitioned from the current trading platform to the Optimise trading platform, market makers will be required to maintain connections to both trading systems. Therefore, ISE proposes to waive the new 10 GB fee for all members until the migration is entirely completed. The Exchange notes that the fees proposed herein are intended to cover and are reasonably related to ISE's costs of rolling out and supporting the new service.

The Exchange has designated this proposal to be operative on April 11, 2011.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,³ in general, and with Section 6(b)(4) of the Act,⁴ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among Exchange members and other persons using its facilities. In particular, the proposed rule change will provide greater transparency into the connectivity options available to market participants. The proposed rule change treats similarly situated Members in the same manner by assessing the same fees to all Members based on their connectivity needs. The Exchange notes that the 10 GB connectivity option proposed herein is similar to that currently in place at other exchanges. For example, NASDAQ OMX PHLX, Inc. ("PHLX"), NASDAQ OMX BX,

³ 15 U.S.C. 78f .

⁴ 15 U.S.C. 78f(b)(4).

Inc. (“BX”) and the NASDAQ Stock Market LLC (“NASDAQ”) each offer a 10GB network connection option to their members, albeit at a higher cost than that proposed by ISE.⁵

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

The proposed rule change does 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 unsolicited written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁶ At any time within 60 days of the filing of such 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.

⁵ See Exchange Act Release Nos. 62639 (August 4, 2010), 75 FR 48391 (August 10, 2010) (SR-PHLX-2010-89); 62969 (September 22, 2010), 75 FR 59777 (September 28, 2010) (SR-BX-2010-064); and 62663 (August 9, 2010), 75 FR 49543 (August 13, 2010) (SR-NASDAQ-2010-077). PHLX, BX and NASDAQ each charges \$5,000 per month for a 10 GB connection.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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-2011-22 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-ISE-2011-22. 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 website (<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. 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-2011-22 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Cathy Ahn
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).