

## 1. Text of the Proposed Rule Change

(a) EDGA Exchange, Inc. (“Exchange” or “EDGA”) proposes to amend its fee schedule applicable to Members<sup>1</sup> and non-members of the Exchange pursuant to EDGA Rule 15.1(a) and (c). Pursuant to the proposed rule change, the Exchange will commence charging fees for Members and non-members for certain physical ports used to connect to the Exchange’s systems. The Exchange intends to implement this rule proposal effective upon Securities and Exchange Commission (“Commission”) approval. Text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

## 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s Board of Directors approved the proposed rule change on April 28, 2010. This action constitutes the requisite approval under the Exchange's Bylaws.

## 3. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

### (a) Purpose

The purpose of the proposed rule change is to begin charging an annual fee to Members and non-members for physical ports used to connect to the Exchange’s systems for purposes including order entry and the receipt of Exchange data. A physical port is a port used by a Member or non-member<sup>2</sup> to connect into the Exchange at the data centers where Exchange servers are located. Physical port connections can occur either through an external telecommunication circuit or a cross-connection. Currently, Members and non-members have a number of alternative methods available to them for connecting to the Exchange without the need to obtain an independent physical connection, including the use of financial extranets or service bureaus. However, some Members and non-members may wish to connect directly with their own dedicated circuit connection. In order to support their requirements and the associated infrastructure costs related to direct circuit connectivity, EDGA proposes to charge Members and non-members the following annual fees based on the connectivity service type:

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<sup>1</sup> A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

<sup>2</sup> Non-members can include non-member service bureaus that act as a conduit for orders entered by Exchange Members that are their customers as well as sponsored participants and market data recipients.

<b>Connection Service Type</b>	<b>Annual Fee per Physical port</b>
1 Gb Copper	\$5,000
1 Gb Fiber	\$7,500
10 Gb Fiber	\$10,000

Only one physical port is required to access all services for EDGA. However, Members and non-members may choose more than one physical port and different connection service types based on their needs. The Exchange notes that other market centers provide similar services to their Members and non-members.<sup>3</sup>

The Exchange believes that the service will offer market participants additional EDGA connectivity choices, providing for greater access into the market while allowing the market participant to choose the method of connectivity based on their specific needs.

The Exchange will implement the proposed rule change following Commission approval.

(b) Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Exchange Act,<sup>4</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>5</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. Members and other persons using the Exchange facilities also have the ability to obtain access to these services without the need for an independent physical port connection, such as through alternative means of financial extranets and service bureaus, as described above. In addition, Members and non-members also have the ability to choose lower cost connection service types and still obtain access to all EDGA services. Furthermore, the fees associated with physical ports will be equitably allocated to all constituents as the fees will be uniform in application to all Members and non-members. Finally, the Exchange believes that the fees obtained will enable it to cover its infrastructure costs associated with allowing Members and non-members to establish physical ports to connect to the Exchange's systems and continue to maintain and improve its infrastructure, market technology, and services.

#### 4. Self-Regulatory Organization's Statement on Burden on Competition

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

<sup>3</sup> See Securities Exchange Act Release Nos. 61545 (February 19, 2010), 75 FR 8769 (February 25, 2010)(order approving file no. SR-BATS-2009-032); and 62392 (June 28, 2010) (notice of filing file no. SR-Nasdaq-2010-077).

<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4).

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule change Based on Rules of Another Self-Regulatory Organization or of the Commission

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the *Federal Register*.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-EDGA-2010-06)

[Date]

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing of Proposed Rule Change to Amend EDGA Fee Schedule to Impose Fees for Physical Ports Used to Connect to EDGA Exchange

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 1, 2010, the EDGA Exchange, Inc. (the "Exchange" or the "EDGA") 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 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 Exchange proposes to amend its fee schedule applicable to Members<sup>3</sup> and non-members of the Exchange pursuant to EDGA Rule 15.1(a) and (c). Pursuant to the proposed rule change, the Exchange will commence charging fees for Members and non-members for certain physical ports used to connect to the Exchange's systems. The

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

Exchange intends to implement this rule proposal effective upon Securities and Exchange Commission (“Commission”) approval.

The text of the proposed rule change is available on the Exchange’s Internet website at <http://www.directedge.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-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

Purpose - The purpose of the proposed rule change is to begin charging an annual fee to Members and non-members for physical ports used to connect to the Exchange’s systems for purposes including order entry and the receipt of Exchange data. A physical port is a port used by a Member or non-member<sup>4</sup> to connect into the Exchange at the data centers where Exchange servers are located. Physical port connections can occur either through an external telecommunication circuit or a cross-connection. Currently, Members and non-members have a number of alternative methods available to them for connecting to the Exchange without the need to obtain an independent physical connection, including

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<sup>4</sup> Non-members can include non-member service bureaus that act as a conduit for orders entered by Exchange Members that are their customers as well as sponsored participants and market data recipients.

the use of financial extranets or service bureaus. However, some Members and non-members may wish to connect directly with their own dedicated circuit connection. In order to support their requirements and the associated infrastructure costs related to direct circuit connectivity, EDGA proposes to charge Members and non-members the following annual fees based on the connectivity service type:

<b>Connection Service Type</b>	<b>Annual Fee per Physical port</b>
1 Gb Copper	\$5,000
1 Gb Fiber	\$7,500
10 Gb Fiber	\$10,000

Only one physical port is required to access all services for EDGA. However, Members and non-members may choose more than one physical port and different connection service types based on their needs. The Exchange notes that other market centers provide similar services to their Members and non-members.<sup>5</sup>

The Exchange believes that the service will offer market participants additional EDGA connectivity choices, providing for greater access into the market while allowing the market participant to choose the method of connectivity based on their specific needs.

The Exchange will implement the proposed rule change following Commission approval.

Basis – The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>6</sup> in general, and furthers the objectives of Section

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<sup>5</sup> See Securities Exchange Act Release Nos. 61545 (February 19, 2010), 75 FR 8769 (February 25, 2010)(order approving file no. SR-BATS-2009-032); and 62392 (June 28, 2010) (notice of filing file no. SR-Nasdaq-2010-077).

<sup>6</sup> 15 U.S.C. 78f.

6(b)(4),<sup>7</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. Members and other persons using the Exchange facilities also have the ability to obtain access to these services without the need for an independent physical port connection, such as through alternative means of financial extranets and service bureaus, as described above. In addition, Members and non-members also have the ability to choose lower cost connection service types and still obtain access to all EDGA services. Furthermore, the fees associated with physical ports will be equitably allocated to all constituents as the fees will be uniform in application to all Members and non-members. Finally, the Exchange believes that the fees obtained will enable it to cover its infrastructure costs associated with allowing Members and non-members to establish physical ports to connect to the Exchange's systems and continue to maintain and improve its infrastructure, market technology, and services.

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.

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<sup>7</sup> 15 U.S.C. 78f(b)(4).

III. Date of Effectiveness of the Proposed Rule  
Change 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 (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 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-EDGA-2010-06 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-EDGA-2010-06. 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 Exchange. 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-EDGA-2010-06 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 Market Regulation, pursuant to delegated authority.<sup>8</sup>

Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).

## Exhibit 5

Text of the proposed rule change (Additions are underlined; deletions are in [brackets].)

**EDGA Exchange Fee Schedule**

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**Effective [insert date of Commission approval]**

**Physical Connectivity Fees:**

<b><u>Connection Service Type</u></b>	<b><u>Annual Fee per Physical Port</u></b>
<b><u>1 Gb Copper</u></b>	<b><u>\$5,000</u></b>
<b><u>1 Gb Fiber</u></b>	<b><u>\$7,500</u></b>
<b><u>10 Gb Fiber</u></b>	<b><u>\$10,000</u></b>

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