

February 23, 2024

**VIA ELECTRONIC SUBMISSION**

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: File No. 4-757: Proposed CT Plan**

Dear Ms. Countryman:

DataBP, LLC (“DataBP”) is a global company, headquartered in New York and operating in seven countries. We are a trusted partner to the world’s largest financial data providers, including exchanges, index providers, trading platforms, clearing houses, and data vendors. We appreciate the opportunity to provide our comments to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) regarding the national market system plan proposed and submitted by the exchanges and the Financial Industry Regulatory Authority (“SROs”) on October 23, 2023 (“Proposed CT Plan”).<sup>1</sup>

DataBP believes the Proposed CT Plan represents a significant step forward for our national market system (“NMS”) and the broader industry. Converging the current operating model for the two existing market data plans – with distinct commercial policy frameworks, licensing agreements, billing models, and compliance processes for the three “tapes” – to a single operating model will deliver substantial efficiencies to the industry. In turn, these efficiencies will benefit the investing public.

For nearly fifty years, the NMS plans and the associated consolidated tapes have successfully stood the test of time. This informational infrastructure is the envy of the world’s capital markets. The policies and administrative processes used by the

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<sup>1</sup> See Securities Exchange Act Release No. 99403 (January 19, 2024), File No. 4-757 (“Proposing Release”).

administrators of the NMS plans establish *de facto* standards used by global capital markets for data more broadly, largely due to the scale at which our NMS plans operate.

Today's markets — and investors' consumption methods and use of data — have evolved significantly, however. As competition for liquidity across an increasingly diverse and sophisticated market structure has led to greater automation and demand for data, too often the commercial policies and supporting administrative processes have not kept pace. The resulting administrative challenges, and risks of operating in compliance with a patchwork of commercial policies, have exacerbated the frustration among investors, who face increasing costs to source deeper data from a broader spectrum of sources in order to remain competitive. These frustrations and the implicit costs of compliance with commercial policies and outdated administrative processes are often conflated with the explicit costs of market data in public policy and market structure debates.

By themselves, these administrative burdens constrain an investor's ability to efficiently operate and fully participate in the markets. The data necessary for investors to compete for liquidity, manage risk or hold their brokers accountable for performance requires significant resources. Moreover, the ability to comply with the associated commercial policies and to support the administrative burdens requires resources often lacking in smaller investor organizations, or the more specialized fintech providers who service them. Equally, enforcing compliance with commercial policies is a challenge for data providers and tape administrators, due to the diverse needs and resource capacity of their users, coupled with administrative processes. By making data expensive in these manifold ways, the industry increases costs, decreases efficiency, and degrades the investor experience.

DataBP addresses these challenges for the industry by providing technology and services designed to streamline market data administration and enable the adoption of best practices, which better align with the needs of today's markets. Our clients deploy our technology to automate and streamline the administrative processes associated with data licensing, accounting for data usage, direct and indirect billing, and compliance. Each client implements their solution to suit the idiosyncratic nature of their markets and customer needs. The inherent inconsistency in these practices remains a challenge

for data users, who must manage the diversity of data sources necessary to compete. Our clients are also constrained by the existing administrative conventions. Many wish to adopt a “clean slate approach,” or fully leverage cloud-native technologies and digital rights management techniques that have been proven in the media industry, but legacy practices make this impossible to achieve. The Proposed CT Plan presents a significant, industry-wide opportunity to better serve the needs of investors and to incorporate best practices that lead to greater efficiency.

In the near term, appointing an independent administrator presents an important opportunity for the Operating Committee to enhance the governance, responsiveness, and transparency of the Proposed CT Plan. Working together, the Operating Committee and the independent administrator can identify synergies between the two existing plans and incorporate best practices into a unified administrative framework. In so doing, the Proposed CT Plan can achieve efficiency and ensure that it evolves with the dynamic needs of our NMS. An independent administrator with a unique balance of experience and expertise, but without conflict, will be the single most important factor for the successful transition to a unified consolidated tape. As a trusted partner to the Operating Committee, the administrator can advise on feasibility, alternatives, and best practices to support the decisions required to drive convergence to a single operating model—and avoid risks and delays to implementation.

Along these lines, DataBP commends the SROs for laying out a detailed transition via Article XIV and Exhibit F of the Proposed CT Plan.<sup>2</sup> In response to the Commission’s request for comment on its sixth, transition-related question – “whether the proposed timeline of the proposed CT plan is necessary or appropriate in the public interest”<sup>3</sup>—we offer the following two suggestions.

First, DataBP believes that Workstream 2, during which the Operating Committee will set plan fees and policies, will be the proverbial “long pole” in this project.<sup>4</sup> In particular, experience has shown the complexity and delicacy of adopting common

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<sup>2</sup> See Proposing Release, supra note 1, at A-42 and A-59.

<sup>3</sup> See id at 10.

<sup>4</sup> See id at A-59.

commercial policies and converging direct and indirect billing models. DataBP sees wisdom in progressing Workstream 2 in parallel with selecting the independent administrator (Workstreams 3 and 4). That said, DataBP does not believe all aspects of Workstream 2 must be completed to begin Workstream 5, during which the new administrator will commence operations. Indeed, DataBP believes that having an independent administrator in place could materially benefit the Operating Committee as it resolves any remaining Workstream 2 questions.

Second, Workstreams 5.3, 5.5, 5.6, and 5.7 concern customers' transition from the legacy plans to the Proposed CT Plan.<sup>5</sup> DataBP believes this can be accomplished in less than ten months, as planned. Based on the representation that over 600 vendors are customers of the current plans,<sup>6</sup> DataBP believes that the transition can be successfully executed within six months with proper planning and effective supporting processes. To borrow from Coach John Wooden, a good operating adage for the customer transition is to "be quick, but don't hurry."

Aside from the transition, the role of the administrator and independence requirement enables an enhanced relationship with the Operating Committee and improves transparency and accountability. Constructive dialogue amongst the Operating Committee and an accountable administrator will make the Proposed CT Plan responsive to ever-changing industry requirements and mitigate compliance risk. Constructive dialogue between the Operating Committee and an accountable administrator will also produce innovations, such as new products and features, which improve the investor experience.

As noted above, the transition from the current environment to a single plan represents a significant step forward for our NMS and the broader global capital markets. Given the increased regulatory and policy focus on both public and proprietary market data, our NMS must continue to play a leadership role and champion best practices that enhance the ability of investors to manage market data. This critical

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<sup>5</sup> See id at A-60.

<sup>6</sup> See id at 6.

information produces the transparency required to drive investor confidence and ability to successfully navigate today's complex markets.

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DataBP appreciates the substantial time and energy invested by the SROs and the Commission towards reforming market data governance for the benefit of the investing public – and we commend both for the meaningful progress represented in the Proposed CT Plan. We hope that the Commission finds the foregoing comments helpful. Should you have any questions or require additional comment or further information, please contact me at [mark.schaedel@databp.com](mailto:mark.schaedel@databp.com)

Best regards,



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Mark Schaedel  
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