

June 10, 2026

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

Re: File No. 4-757; Joint Industry Plan; Notice of Filing of Amendment No. 1, and Order Instituting Proceedings to Determine Whether to Approve or Disapprove an Amendment to the National Market System Plan Regarding Consolidated Equity Market Data, as Modified by Amendment No. 1 to Adopt a Fee Schedule

Dear Ms. Countryman,

The Operating Committee of the CT Plan (the “CT Plan”) respectfully submits this letter in connection with the Commission’s Order Instituting Proceedings (“OIP”) concerning the proposed amendment to the CT Plan to adopt a fee schedule, as modified by Amendment No. 1 (the “Proposal”). The CT Plan believes that the Proposal advances the public-interest objectives of Section 11A and Rule 608 by (1) materially reducing administrative burden on market data recipients, and (2) proposing a fee schedule that is fair and reasonable and not unreasonably discriminatory.

The Proposal is the product of an extensive and deliberate process. As reflected in Amendment No. 1, the Operating Committee developed the Proposal through consultation with the Advisory Committee, engagement with an outside consultant, outreach to market participants, and subscriber surveys focused on market alternatives, administrative burden, and practical user experience. That process led to a Proposal that does not merely revise prices. It addresses long-standing sources of friction in the legacy plans by harmonizing definitions across the three tapes, simplifying administration, reducing audit risk, and better aligning fees with how recipients actually use consolidated market data.

The commenter criticisms identified in the OIP do not provide a basis for disapproval. To the contrary, many of those comments confirm the value of the Proposal’s central reforms, particularly its efforts to reduce complexity and improve administrability. Where commenters disagreed, their objections largely rested on mistaken premises: that the Commission must apply a strict cost-of-service framework to consolidated data fees; that comparisons to market-based alternatives are irrelevant unless they involve perfect substitutes; or that isolated elements of the Proposal should be evaluated without regard to the Proposal’s overall structure and economic effect.

In short, the Proposal is designed to preserve and potentially expand the use of consolidated market data, not to exploit the transition to the CT Plan to impose a materially different economic burden on the market. It leaves key display-related charges unchanged or reduced, adopts several user-favorable definitional changes that may decrease actual collections below modeled levels, and incorporates only limited inflation-related adjustments to discrete fees that have remained static for a decade or more. When viewed as a whole, the Proposal is fair and reasonable, not unreasonably discriminatory, and consistent with the maintenance of fair and

orderly markets and the broader goals of the national market system. The discussion below responds to the issues raised in the OIP and explains why the Proposal satisfies the applicable statutory and regulatory standards.

Reduction of Administrative Burdens

As reflected in the OIP, commenters were supportive of the Proposal's goal of reducing administrative burden on market data recipients. As stated in the Proposal, nearly all respondents to a survey issued by the CT Plan requested:

1. Reducing administrative burden associated with Professional versus Non-Professional definitions;
2. Removing outdated terminology (e.g., unit of count); and
3. Clarifying definitions to reduce audit risk.

The Operating Committee developed solutions to these issues as well as, based on prior experience, other issues that have led to audit-related risks among market data subscribers. Members of the Advisory Committee, in particular, provided invaluable suggestions in this regard. These solutions were incorporated into the Proposal and appear to have been well-received by the commenters.¹

As reflected in the OIP, one commenter had questions regarding direct versus indirect access and asked for "confirmation that extranet connections will be appropriately reclassified from Direct to Indirect Access under the new framework."² As reflected in the Proposal, the focus of the definition is simply based on where the market data recipient receives the data. If the market data recipient receives the data within any data center in which a Processor is located, then such access will be considered Direct Access. As a result, the insertion of an extranet between the Processor and the data recipient is not relevant to the categorization of the connection. This definition helps to prevent gaming as it prevents firms from inserting extranet service providers solely to take advantage of the lower indirect access fees while still obtaining the advantage of reduced latency. To be clear, if a market data recipient receives the market data through an extranet but the receipt of such data occurs outside a facility where a Processor is located, such market data recipient would be subject to Indirect Access fees.

The Proposal's treatment of Direct Access and Indirect Access is fair and reasonable because it ties the fee distinction to an objective, economically meaningful feature of the service: where the recipient receives the data and the latency advantages that flow from that location, rather than to

¹ One commenter requested that the Professional Use definition be refined to exclude single-member LLCs and disregarded entities where a natural person uses market data solely for personal trading. The CT Plan does not believe that this exception is appropriate. The CT Plan adopted the updated Professional Use definition to lessen administrative and audit burdens. The CT Plan believes that creating an exception for single-member LLCs would undo the benefits afforded by the simplified definition and would require an Administrator to perform more in-depth audits to confirm that single-member LLCs were using the data solely for personal use. Additionally, creating an exception would potentially affect whether offering a safe harbor is feasible (since there are no longer clear lines drawn in the definition).

² See Massive Letter at 4.

formalistic differences in network architecture. Under the Proposal, any recipient that receives CT Plan data within a data center in which a Processor is located is treated as having Direct Access, while all other connections are treated as Indirect Access. That line is rational because recipients located in the same facility as the Processor are positioned to obtain the low-latency benefits associated with that proximity, and it is reasonable for the fee schedule to recognize that greater value. By contrast, recipients that receive data outside a Processor facility generally do not enjoy those same latency advantages and are therefore charged the lower Indirect Access fee. In that way, the Proposal aligns price with the functional characteristics and value of the access being purchased, which supports a finding that the terms are fair and reasonable under Section 11A and Rules 603 and 608.

The Proposal is also not unreasonably discriminatory because it applies the same standard to all market data recipients, regardless of firm type, business model, or whether the recipient uses an extranet, vendor, or other intermediary. The classification does not turn on the identity of the carrier or on whether an extranet has been inserted between the Processor and the recipient; it turns only on the objectively verifiable location at which the recipient receives the data. That is a neutral, technology-agnostic rule that treats similarly situated recipients alike.

Reasonableness of Fee Schedule

As set forth in the Proposal, the Operating Committee focused on two objectives in developing the fee schedule: (1) incentivizing the continued and potentially expanded dissemination of the consolidated feed; and (2) making inflation-related adjustments for certain components of the Existing Fee Schedules that have remained stagnant for ten years or more. These objectives led to a Proposed Fee Schedule that (1) leaves display-related fees largely unchanged or potentially reduced to incentivize display to both Professional and Non-Professional Use; and (2) adjusts certain discrete fees for inflation based on a widely-accepted metric. Below, the CT Plan responds to the issues raised by commenters.³

Statutory Basis for Fee Schedule

Commenters stated that the Proposal should be assessed against a cost-based standard; however, the CT Plan disagrees for two reasons: (1) the kind of “cost-based” proof commenters request is not only unnecessary as a categorical matter, but also not a reliable metric for consolidated data in practice; and (2) the Commission may properly evaluate the fairness and reasonableness of market information fees using a more flexible approach grounded in the Exchange Act’s Section 11A objectives.

As stated in the Proposal, any “cost to collect, consolidate, and disseminate” necessarily implicates far more than the Processor/Administrator’s direct operating expenses. The production of consolidated market data depends on intertwined, shared, and continually evolving investments across multiple Members, markets, and systems, e.g., the individual Members’

³ One commenter questioned why there are three separate Professional Use fees for each of the individual tapes. The CT Plan believes that having three separate fees provides firms with maximum flexibility in determining what market data information they wish to purchase. Combining all tapes under a single fee would result in less optionality and require firms to purchase information that they might not otherwise need. Under the Proposal, firms may purchase a subset of the tapes to meet their needs and avoid unnecessary costs.

market operations, technology, security, resiliency, surveillance/compliance, testing and change management, and governance, costs that are not captured by a narrow “processor-only” accounting, and that would be allocated differently depending on each Member’s internal cost-accounting conventions and assumptions.⁴ A strict cost-of-service exercise therefore risks becoming an arbitrary allocation dispute rather than a meaningful test of fee reasonableness.

For that reason, the CT Plan is not advocating for a cost-based approach that would eliminate meaningful Commission review of SIP fees. Nor is such a strict cost-of-service exercise required in order for the Commission to conduct meaningful review under Section 11A and Rules 603 and 608. Rather, meaningful Commission review is available through a more practical and reliable framework, one that considers the Proposal’s overall design, the nature and value of the product, continuity with existing fee structures, modeled aggregate revenue, user benefits, administrative simplification, objective and neutral classifications, and the Proposal’s likely real-world economic effects, without forcing arbitrary judgments about which shared or integrated system costs should or should not be counted in a formal cost-allocation exercise.

The CT Plan has provided that kind of meaningful rationale here and in prior submissions. As described in the Proposal and Amendment No. 1, the Operating Committee explained where the proposed fees are set and why they are fair and reasonable. The Proposal was designed to preserve the broad availability of consolidated data; to maintain or reduce key display-related charges; to modernize definitions and reduce audit and administrative burden; to make only limited inflation-related adjustments to certain long-static fees; and to produce modeled revenue materially comparable to the legacy plans. Those are concrete benchmarks the Commission can evaluate. They provide a meaningful basis for review while avoiding the arbitrary line-drawing that would be inherent in a strict cost-of-service methodology for a product produced through intertwined, shared, and continuously evolving market-wide systems and functions.

As detailed above, the CT Plan believes that the Proposal is also fair and reasonable because it is expected to generate revenue that is materially comparable to the revenue generated today under the legacy market data plan fee schedules, which have previously been filed with the Commission. In other words, the Proposal is not an attempt to exploit the transition to the CT Plan to create a materially different economic burden on the market; rather, it largely preserves the overall revenue profile of the existing schedules while modernizing definitions, harmonizing treatment across the three tapes, and reducing administrative friction. That benchmark matters. If the existing fee schedules have been in effect under the Commission’s oversight for decades and have served as the governing fee framework for consolidated data, then a replacement schedule

⁴ As the Commission explained in its Market Information Concept Release, “Congress did not require the Commission to undertake a similar, strictly cost-of-service (or ‘ratemaking’) approach to its review of market information fees in every case,” and “granted the Commission some flexibility in evaluating the fairness and reasonableness of market information fees,” because Section 11A sets forth general findings and objectives for the national market system and directs the Commission to act accordingly in overseeing its development. *See* SEC, *Regulation of Market Information Fees and Revenues*, Exchange Act Release No. 34-42208 (Dec. 9, 1999) (“Market Information Concept Release”) (“Plan costs do not, however, include any of the costs incurred by the individual SROs in generating market information and providing it to the Plan processors. The Commission is considering an approach that would include many of these SRO costs - specifically, the costs of operating and regulating their markets in accordance with Exchange Act requirements - as part of the cost of providing market information to the public.”).

designed to produce a substantially similar overall revenue outcome is strong evidence that the Proposal likewise is fair and reasonable.

Consistent with that continuity, the CT Plan modeled the Proposal to produce revenue within approximately 1% to 2% of the overall revenue currently generated under the existing plans. That modeling is necessarily assumption-driven, and, importantly, if those assumptions prove inaccurate, the more plausible result is that actual revenue will be lower rather than higher than projected. That is because several of the Proposal's definitional and structural changes create meaningful opportunities for users to qualify for lower charges than the model could confidently quantify in advance.⁵ As one example, the CT Plan made assumptions regarding how many users currently treated as Professionals will qualify as Non-Professionals under the new, use-based definitions; if more users shift into the Non-Professional category than assumed, revenue will decline. As another example, the CT Plan made assumptions about the number of firms that may benefit from the revised Direct versus Indirect Access definitions; if more firms than projected qualify for Indirect Access under the new framework, revenue again will decline. And the same is true for Tape C Non-Display usage: although the Proposal introduces the ability to purchase Bid/Ask or Last Sale separately rather than only as a bundle, the CT Plan model assumed continuation of bundled purchasing patterns. But if data recipients elect to purchase only one component instead of both, revenue would decrease. In short, the modeled revenue of the Proposal is itself conservative: the likely modeling risk runs to the downside, not the upside.

Additionally, the CT Plan believes that comparison to proprietary top-of-book ("TOB") products demonstrates that the Proposal is consistent with Section 11A's objectives. While each venue is the exclusive source of its own data, TOB products are designed for basic, indicative usage (best bid/offer and last sale) and are frequently consumed for inexact price discovery and market color rather than for venue-specific microstructure signals. In that common usage, TOB feeds are meaningfully substitutable with each other: a subscriber seeking indicative view of the market can often replace one exchange's TOB feed with another, and many users evaluate these products as part of a "bundle" decision where price and total cost of ownership drive substitution, downgrade, or non-purchase at the margin. In that sense, TOB products compete with each other on price and package economics for baseline market-view functionality, even if they are not perfect substitutes in every use case. In other words, the market for TOB products is competitively set.

As a result, the comparison between the price of a theoretical synthetic SIP and the price of the CT Plan consolidated product is a useful and probative benchmark in assessing whether the proposed fees are fair and reasonable, precisely because the proprietary TOB inputs used to build such a synthetic product are themselves sold in a market characterized by meaningful competitive interaction. As the Proposal explains, for many common "indicative price" use cases, proprietary TOB products provide the same core categories of information and, as a practical matter, are evaluated by subscribers as part of a bundle decision in which price, licensing burden, and total cost of ownership drive substitution at the margin. In that setting, the exchanges offering TOB products do not price in a vacuum; they price against other TOB

⁵ The Operating Committee acknowledges that expressly treating the creation of Derived Data as Non-Display Use may increase fees for some users at the margins. But any effect should be limited because the Proposal places that activity within the Proposal's existing Non-Display framework, rather than creating a separate new fee category or broad new class of user charges.

offerings that can serve similar baseline market-view functionality. That is why the synthetic SIP analysis is informative: it does not depend on proving that the consolidated product is itself subject to competitive forces, but rather measures the cost of assembling a comparable indicative consolidated view from inputs whose prices are themselves disciplined by competition. Where the CT Plan's consolidated fees compare favorably to that market-derived alternative, the Commission may reasonably view that as evidence that the proposed fees are fair and reasonable.

Commenters' suggestion that the use of proprietary TOB benchmarks somehow proves an irreconcilable conflict on the part of the SROs is misplaced. That argument assumes the Proposal was driven by the narrow interests of the small subset of exchanges offering higher-priced proprietary products, when in fact the Proposal was unanimously approved by all SROs. The CT Plan includes a broad and diverse set of Members, multiple exchange groups, smaller venues, and FINRA, and the Proposal was developed through an extended Operating Committee process that included an Advisory Committee, an outside consultant, market-participant outreach, and two subscriber surveys focused on market alternatives, administrative burden, and practical substitution behavior. That record is fundamentally inconsistent with the notion that the Proposal merely reflects the pricing preferences of those exchanges with the most expensive proprietary TOB offerings. To the contrary, the process described in Amendment No. 1 shows that the Operating Committee's objective was to develop a fee schedule that would preserve and expand the use of consolidated data by reducing administrative friction, lowering or maintaining displayed-use charges, and responding to evidence that subscribers were shifting to proprietary or delayed alternatives.

Indeed, if the SROs truly lacked any incentive to make consolidated data competitive, the Proposal would not do the very things it does: preserve or reduce displayed-use pricing in key areas; adopt a Non-Professional sliding scale; retain Non-Professional enterprise caps; simplify Professional/Non-Professional definitions; and reduce audit and compliance burdens that commenters themselves identified as major drivers of migration away from SIP data. Those features are not the hallmarks of a conflicted effort to shield proprietary products from competition. They are the hallmarks of a proposal designed to make the consolidated product more usable and more attractive. The proprietary TOB comparison therefore should be understood for what it is—not evidence of conflict, but evidence that the Operating Committee used a practical, market-referenced benchmark to assess whether the CT Plan fees are fair and reasonable.

Consolidation of Existing Plans

Commenters also raised issues regarding the expected reduced costs from consolidating three plans into a single plan. Arguments that the transition from multiple legacy plans and administrators to a single Administrator should necessarily produce a correspondingly lower cost basis for consolidated market data miss the point. The principal benefits of moving from three plans to one – i.e., eliminating redundancies, inefficiencies, and inconsistencies across legacy plan rules, definitions, and billing practices – are market-wide administrative benefits that improve clarity, harmonization, and ease of use for subscribers, redistributors, and the market generally. They do not mean that the underlying production of consolidated market data has become materially less complex. As the Proposal explains, the production of consolidated market

data depends on far more than the compensation paid to the Processors. It requires “intertwined, shared, and continually evolving investments across multiple markets and systems,” including market operations, technology, security, resiliency, surveillance/compliance, testing and change management, and governance—costs that are not captured by a narrow, Processor-only accounting.

Enterprise Cap

Comments suggesting that the Non-Professional enterprise cap should be lowered so that it is available to a broader range of firms consider only one part of the Proposal and therefore miss how the CT Plan addressed the underlying policy concern. As Amendment No. 1 explains, the Operating Committee specifically considered how to extend meaningful pricing relief beyond the very largest firms, but a lower one-size-fits-all cap was not a workable solution because Non-Professional usage varies dramatically across firms. A cap set low enough to be reached by a broader set of firms would, by definition, be reached almost immediately by the highest-volume firms, thereby producing an outsized fee reduction for a small number of firms at the top of the distribution. That would not be a targeted way to broaden access as it would largely operate as a windfall to the largest retail distributors.

The CT Plan therefore addressed the issue differently. Rather than trying to force a single cap level to serve firms with radically different user populations, it paired the enterprise cap with a tiered Non-Professional sliding scale that extends meaningful cost savings to smaller and mid-sized firms as their user bases grow. Under that structure, firms do not need to reach the cap to benefit from reduced pricing, because their marginal per-user rate declines as dissemination increases, and even firms in the smallest tier pay less than under the existing plans. For that reason, the enterprise cap should not be analyzed in isolation. The relevant question is whether the combined design of the enterprise cap and the Non-Professional sliding scale fairly allocates pricing benefits across firms with very different Non-Professional populations. The Proposal does exactly that. The enterprise cap preserves predictability for the largest firms that currently support very broad retail dissemination, while the Non-Professional sliding scale provides enterprise cap-like economic benefits to a much broader range of firms without creating disproportionate windfalls at the top end. That is a fair, reasonable, and non-discriminatory way to promote the widespread availability of consolidated data.

A commenter recommended that the CT Plan consider a platform-based approach where any individual using a platform would default to Non-Professional status based on a substantial number of individuals’ use of a platform for personal use. The CT Plan believes that any platform approach has the potential to lead to gaming opportunities where an individual who does engage in Professional Use moves to a platform that would qualify under this proposed approach. It would allow such platforms to gain a competitive advantage where even if a user would otherwise be engaged in Professional Use, by utilizing a particular platform, such user could pay lesser fees. The CT Plan believes such an approach would be unreasonably discriminatory as it would create an unfair competitive landscape. The CT Plan believes that the simplified definitions of Professional and Non-Professional Use as well as the availability of the safe harbor should address the concerns raised by the commenter while avoiding the potential for an unfair competitive landscape.

Derived Data

As reflected in the OIP, one commenter argued that treating the creation of Derived Data as Non-Display Use is inconsistent with existing plan policies and represents an improper expansion of fee liability. The Operating Committee disagrees. The Proposal's treatment of Derived Data is fair and reasonable because it draws the line based on the functional use of consolidated market data: namely, when a recipient accesses, processes, or consumes CT Plan data as an input to generate a new output, indicator, calculation, or dataset, the recipient is doing more than merely viewing data on a screen, it is using the data computationally. The Proposal reasonably treats that machine-based use as Non-Display Use. That distinction is consistent with the Exchange Act's requirement that market data terms be fair and reasonable and not unreasonably discriminatory, because it aligns fee treatment with the nature of the use. The Proposal's treatment is also administrable and non-discriminatory. It applies the same rule to any recipient that uses CT Plan data to create Derived Data, regardless of firm type, business model, or delivery mechanism. Conversely, recipients that merely receive and view market data are not treated the same way. That is a neutral, use-based distinction.

Nor is the commenter correct that the Proposal effects the kind of undisclosed expansion the commenter suggests. Existing plan language already recognized that accessing, processing, or consuming market data for purposes other than mere display or distribution falls within Non-Display Use. The Proposal clarifies, in a uniform way across the tapes, that the creation of Derived Data is such a use. That clarification is particularly appropriate because the economic and operational event that matters is the recipient's computational use of consolidated market data to generate a new output. The fact that a recipient may later choose to display that output does not change the character of the upstream machine processing that created it. Properly understood, the Proposal harmonizes and clarifies the treatment of Derived Data creation; it does not impose the sort of hidden new liability that the commenter describes.

In any event, the commenter's personal-use example does not reflect how the Proposal operates. Where a person uses CT Plan data solely for personal purposes, that user is treated as engaging in Non-Professional Use, and the applicable charge is the \$1. The commenter's suggestion that ordinary personal analytical use would newly trigger Non-Display charges is therefore incorrect.

Inflation Adjustment

As reflected in the OIP, one commenter questioned applying the inflation adjustment to certain fees, claiming that "[e]very major technology sector has experienced cost deflation over the past decade." This assertion does not comport with the industry-specific data the CT Plan actually used to support its inflation-related adjustments. The Proposal did not rely on a generalized impression about "technology" markets, much less on consumer-facing hardware prices or anecdotal trends in unrelated sectors. Instead, it relied on the Producer Price Index ("PPI") for Data Processing and Related Services, an industry-specific, producer-side metric published by the Bureau of Labor Statistics. As the Bureau explains, the PPI measures changes in prices received by domestic producers for goods and services, and the relevant series here is tailored to companies providing data processing and related services – precisely the category the CT Plan reasonably determined to be the closest publicly available proxy for the services involved in producing consolidated market data.

That metric did not show deflation over the relevant period. To the contrary, as reflected in Amendment No. 1 and quoted in the OIP, the Data PPI increased from 101 in January 2015 to 124.185 in May 2025, which the CT Plan calculated as a 15.95% increase over the period. Put simply, if the relevant data-processing sector had in fact experienced sustained deflation over the past decade, the industry-specific metric selected by the CT Plan would not have shown a positive cumulative increase of that magnitude.

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For all these reasons, the CT Plan respectfully submits that the Proposal, as modified by Amendment No. 1, is consistent with Section 11A and Rules 603 and 608 and should be approved by the Commission. The Proposal reflects a balanced and well-supported effort to modernize outdated fee administration, reduce unnecessary complexity and audit risk, preserve the broad availability of consolidated market data, and adopt a fee structure that remains comparable in overall economic effect to the existing Commission-approved framework while incorporating several user-favorable changes that may reduce actual collections below modeled levels. The Proposal is fair and reasonable, not unreasonably discriminatory, and in furtherance of the public interest and the maintenance of fair and orderly markets.

Sincerely,

/s/ Jeff Kimsey

Jeff Kimsey
Chair of the CT Plan