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May 7, 2013

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File Number S7-24-89

Dear Ms. Murphy,

Thomson Reuters appreciates the opportunity to comment on Amendment No. 28 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (the "Nasdaq UTP Plan"). Thomson Reuters believes that the Amendment does not provide market data vendors with sufficient notice to make necessary changes to billing systems and to notify clients of the changes. In particular, Thomson Reuters notes that members of the Nasdaq UTP Plan adopted Amendment No. 28 without any notice to, discussion with, or input from the Nasdaq UTP Plan Advisory Committee. Thomson Reuters requests that the Securities and Exchange Commission (the "Commission") abrogate Amendment No. 28 and require the members of the Nasdaq UTP Plan to solicit the views of the Advisory Committee before refiling the Amendment.

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets, powered by the world's most trusted news organization. As the world's leading provider of market data, we provide real-time and historical data from more than 250 exchanges and hundreds of over-the-counter markets and price contributors covering 14 million instruments. These include equities, options, derivatives, fixed income, commodities and energy, and foreign exchange.

Thomson Reuters has long supported allowing non-SRO market participants a greater role in the governance of the market data plans.¹ Thomson Reuters commented favorably on the Commission's proposal in Regulation NMS to form advisory committees to the plans, in the belief this would help ensure that the U.S. system of equity market data consolidation is cost-effective

¹ See Letter from Devin Wenig to Jonathan G. Katz, Re: Securities and Exchange Commission File No. S7-28-99, April 5, 2000.



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and better serves the needs of the end-users.² Thomson Reuters has been an enthusiastic participant in the Plan Advisory Committees established pursuant to Regulation NMS.³ Kerry Baker Relf, Thomson Reuters' Head of Content Acquisition and Rights Management for the Americas, sits on the Advisory Committees of the UTP Plan and the Consolidated Tape Association Plan.

Regrettably, with respect to Amendment No. 28 the Advisory Committee structure did not function as envisioned by the Commission. Advisory Committee members were denied any opportunity to provide input on the development of Amendment No. 28 and to provide reaction to it once it had been drafted. All discussion of Amendment No. 28, including the vote in favor, took place in "Executive Session" of the UTP Plan Operating Committee. Advisory Committee members including Thomson Reuters received no information about the Amendment prior to the distribution of the public notification. Thomson Reuters communicated that the implementation schedule for Amendment No. 28 was unreasonably short and volunteered to discuss this position with the UTP Plan Operating Committee, an offer that was not accepted. We were later told that the UTP Plan Operating Committee had discussed the implementation date and had voted not to extend it.

In addition to setting a troubling precedent, this bypassing of the Advisory Committee threatens to disrupt the smooth functioning of the market data distribution system. Nasdaq requires market data vendors, including Thomson Reuters, to invoice customers for market data usage. Because the resulting revenue is then conveyed to Nasdaq, Thomson Reuters is forced to assume the risk of nonpayment by customers. Customers may not pay for price increases that they discover on their invoices for which they have not been provided adequate advance notice. The 30 days notice contemplated in Amendment No. 28 is not sufficient for Thomson Reuters to properly plan and prepare for changes to the many billing systems and supporting systems that are required to invoice properly for the Level 1 Professional Fee increase and other changes.

Thomson Reuters notes that 90 days advance notice of fee increases, rather than 30 days, is commonly used in the market data industry, in order to provide sufficient time to communicate changes to clients and answer their questions. Thomson Reuters notifies clients of price changes via a quarterly letter distributed to all clients. This allows them to adjust their budgets and manage their costs.

² See Letter from Phillip Lynch to Jonathan G. Katz, Re: Securities and Exchange Commission File No. S7-10-04, June 30, 2004.

³ See Regulation NMS, SEC Release No. 34-51808 (June 9, 2005) at pp. 277-78 ("Paragraphs (c) and (d) of the Governance Amendment set forth the function of the advisory committee and the requirements for its participation in Plan affairs. Pursuant to paragraph (c), members of an advisory committee have the right to submit their views to the operating committee on Plan matters, including, but not limited to, any new or modified product, fee, contract, or pilot program that is offered or used pursuant to the Plan. Paragraph (d) provides that members have the right to attend all operating committee meetings and to receive any information distributed to the operating committee relating to Plan matters, except when the operating committee, by majority vote, decides to meet in executive session after determining that an item of Plan business requires confidential treatment.").



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The Commission has recognized that the market data consolidation and distribution process benefits from the input not just of the exchanges but of market participants including data vendors and investors. Thomson Reuters supported the formation of the Advisory Committees to the National Market System Plans and takes seriously its participation in those Advisory Committees. Unfortunately, the Advisory Committee to the Nasdaq UTP Plan was denied any role in the formation and consideration of Amendment No. 28. As a result, Amendment No. 28 does not provide sufficient notice and opportunity to implement the fee changes. Accordingly, the Commission should abrogate Amendment No. 28 and require the members of the Nasdaq UTP Plan to solicit the views of the Advisory Committee before refilling the Amendment.

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Thomson Reuters looks forward to working with the Commission, the National Market System plans, and its customers and other market participants to resolve this issue and to improve the U.S. market information dissemination system more broadly. Please do not hesitate to contact Kerry Baker Relf at Kerry.Bakerrelf@thomsonreuters.com or phone (646) 223-4257 or me at Peter.Moss@thomsonreuters.com or phone +44 (0) 20 7542 6246 to discuss these issues at greater length.

Yours sincerely

Peter Moss
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Financial and Risk