



December 21, 2017

Via Online Submission

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Notice of Filing and Immediate Effectiveness of the Twenty-Second Charges Amendment to the Second Restatement of the CTA Plan and the Thirteenth Charges Amendment to the Restated CQ Plan (Release No. 34-82071; File No. SR-CTA/CQ-2017-04) (the “Notice”)

Dear Mr. Fields:

Managed Funds Association (“MFA”)¹ appreciates the opportunity to submit comments to the Securities and Exchange Commission (“Commission”) on the above Notice.² Through the Notice, the Consolidated Tape Association (“CTA”) amends the CTA Plan and the Consolidated Quotation Plan (collectively, the “Plan”) fee schedule and non-display use policy to expand the applicability of the non-display fee and the access fee. MFA shares the concerns expressed by the Securities Industry and Financial Markets Association (“SIFMA”) regarding the Notice and submits this letter in support of SIFMA’s December 11, 2017 letter to the Commission and its request for the Commission to abrogate the amendments referenced in the Notice pursuant to Regulation NMS Rule 608(b)(3).³

In general, we are concerned with the lack of transparency regarding the maintenance of the Plan, as well as the Unlisted Trading Privileges plan, and with the significant price increases over the last several

¹ Managed Funds Association (“MFA”) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry’s contributions to the global economy. MFA members help pension plans, university endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk, and generate attractive returns. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, North and South America, and many other regions where MFA members are market participants.

² Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Twenty-Second Charges Amendment to the Second Restatement of the CTA Plan and the Thirteenth Charges Amendment to the Restated CQ Plan, Release No. 34-82071; File No. SR-CTA/CQ-2017-04, November 14, 2017, available at: <https://www.sec.gov/rules/sro/nms/2017/34-82071.pdf>

³ See letter from Melissa MacGregor, Managing Director and Associate General Counsel, SIFMA, to Brent J. Fields, Secretary, SEC, dated December 11, 2017, regarding Notice of Filing and Immediate Effectiveness of the Twenty-Second Charges Amendment to the Second Restatement of the CTA Plan and the Thirteenth Charges Amendment to the Restated CQ Plan, Release No. 34-82071; File No. SR-CTA/CQ-2017-04, available at: <https://www.sec.gov/comments/sr-ctacq-2017-04/ctacq201704-2786026-161674.pdf>.

years. Section 11A of the Securities Exchange Act of 1934 (“**Exchange Act**”) requires exchanges to distribute data on terms that are “fair and reasonable” and “not unreasonably discriminatory;”⁴ and the Commission has stated that fees charged for SIP data “need to be tied to some type of cost-based standard in order to preclude excessive profits if fees are too high”.⁵ It is unclear to us what changes may justify a fee increase of over 2,000% for professional users.⁶ We think it’s unjustifiable for the participants of the Plan to increase fees “in recognition of . . . the significant value vendors and their subscribers could derive from using data received in a non-display manner”⁷ especially as the Commission has stated that fees charged for SIP data needs to be cost-based.

Many of MFA’s members are data recipients that are likely to see increased fees as a result of the amendments in the Notice. We believe the fee increase is unwarranted and detrimental to capital raising and competition as fewer professional firms and new market participants will be able to afford the non-display use fees and access fees discussed in the Notice. Furthermore, we think the excessively high market data fees, in effect, limit market participants from access to services of the SIP, which pursuant to Section 11A(b)(5) of the Exchange Act is subject to review by the Commission.⁸

MFA respectfully urges the Commission to abrogate the amendments referenced in the Notice pursuant to Regulation NMS Rule 608(b)(3). In addition, MFA believes the Commission should consider conducting a review of the equity market data fee structure. If you have questions or comments, please feel free to contact Jennifer Han, Associate General Counsel, or the undersigned at [REDACTED].

Respectfully submitted,

/s/ Stuart J. Kaswell

Stuart J. Kaswell
Executive Vice President, Managing Director &
General Counsel

⁴ 15 U.S.C. § 78k-1(a).

⁵ Concept Release on the Regulation of Market Information Fees and Revenues, Release No. 34-42208, 64 Fed. Reg. 70,613, 70,627 (Dec. 17, 1999), available at: <https://www.gpo.gov/fdsys/pkg/FR-1999-12-17/pdf/99-32471.pdf>.

⁶ *See id.* at p. 4.

⁷ *See* Notice at p. 5.

⁸ 15 U.S.C. § 78k-1(b).