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Brent Fields
Secretary
U.S. Securities and Exchange Commission
100 F. Street N.E.
Washington, D.C. 205549-0609

RE: File No. SR-NYSEArca-2014-117

Dear Mr. Fields,

NYSE Arca, Inc. (the “Exchange”) is submitting this comment letter to further supplement the basis for the above-referenced filing (“Proposal”),¹ which amends the manner in which the Exchange proposes to mitigate outbound quote traffic to the Options Price Reporting Authority (“OPRA”), as well as the Comment Letters submitted by the Exchange on January 8, 2015 and February 27, 2015 (“Comment Letters”).²

The Exchange has represented in both its Proposal and Comment Letters that the Exchange’s systems capacity is more than sufficient to accommodate any increase in traffic that might be sent to OPRA as a result of the Proposal. The Exchange has likewise expressed confidence in OPRA’s systems, and its ability to accommodate any increase in traffic that might be sent to OPRA, based on the manner in which exchanges request capacity confidentially via the Independent Systems Capacity Advisor (“ISCA”). The Exchange believes it would be helpful to further expound upon its basis for representing that it and OPRA have the necessary systems capacity to handle the potential additional traffic associated with the Proposal.

As the Exchange noted in its Proposal, the current quote mitigation plan was adopted in connection with the Penny Pilot Program (the “Program”) in order “to reduce the number of quotations generated by the Exchange for all options traded on the Exchange,” not just issues included in the Program.³ Thus, “[t]he current plan reduces the number of messages the Exchange sends to

¹ See Securities and Exchange Release No. 73362 (October 15, 2014), 79 FR 62983 (October 21, 2014) (SR-NYSEArca-2014-117).

² See Letters from Elizabeth King, Secretary & General Counsel, Exchange, to Kevin O’Neill, Deputy Secretary, U.S. Securities and Exchange Commission, dated January 8, 2015 and February 27, 2015, available at <http://www.sec.gov/comments/sr-nysearca-2014-117/nysearca2014117-1.pdf>; <http://www.sec.gov/comments/sr-nysearca-2014-117/nysearca2014117-2.pdf>, respectively.

³ See supra n. 1, 79 FR at 62983.

OPRA by only submitting quote messages for ‘active’ series”, as defined by the plan.⁴ Pursuant to the Proposal, the Exchange would no longer suppress quotes and would publish all messages that it receives to OPRA.

The Exchange notes that the landscape has changed in terms of quote traffic and capacity since the adoption of the Program, which further supports the validity of the Proposal. When the Program was adopted in January 2007, the volume of quotes that were not published by the Exchange to OPRA represented approximately 15% of all quotes received by the Exchange, with fluctuations as to time of month. By contrast, as of April 2015, the volume of quotes that were not published to OPRA by the Exchange represented approximately 5.8% of all quotes received by the Exchange, with fluctuations as to time of month.

Moreover, when the Program was adopted, OPRA’s total capacity was set to 359,000 messages per second (“mps”). Due to a succession of capacity increases, as of July 2015, OPRA’s rated Peak Capacity is anticipated to be 42,100,000 mps, a system capacity increase of more than 11,600% since the adoption of the Program. As of Friday May 29, 2015, the Peak message traffic for the Exchange was 1,707,820 mps, measured over a 100 millisecond period.⁵ Thus, the Exchange believes that if the highest percentage of quotes suppressed by the Exchange during this period (8.3%) had been published at the same rate as quotes the Exchange had not suppressed during this time, the mps rate would instead be 1,849,569. Specifically, if these previously suppressed quotes had been published to OPRA, industry quotes published by OPRA would have increased by no more than 1%. Moreover, this increase in quotes published by OPRA would utilize less than .05% of total OPRA capacity across all U.S. option exchanges.⁶

Thus, based on its analysis of the Exchange’s capacity and OPRA’s capacity, since the adoption of the Program, the proportion of quotes not published by the Exchange to OPRA has significantly decreased and the system capacity to handle these quotes has dramatically increased and the Exchange therefore believes that its Proposal is consistent with the Act

⁴ See id.

⁵ Because the quotes suppressed by the Exchange are, by definition, in series that are not active, the most conservative evaluation of the reduction in quote traffic on Peak rates under the Proposal is to evaluate them as if they are published at the same rate as the Exchange as a whole at its most active 100 millisecond period.

⁶ The Exchange notes that it is precluded from disclosing its individual capacity request to OPRA. See the OPRA Plan, Section 4.7, available here, http://www.opradata.com/pdf/opra_plan.pdf (“For purposes of determining how and when to modify the capacity of the OPRA System, each of the Members will from time to time independently project the amount of system capacity it needs and will submit requests for system capacity privately and in writing to the ISCA based on its projected needs, in accordance with procedures developed by the ISCA. The ISCA will maintain such information in confidence except as it may need to be shared with OPRA’s Processor and other persons for operational or administrative purposes; provided that in no event will such information be shared with any of the other Members except in the form of aggregate capacity requests that do not identify the individual capacity requests of any of the Members, and provided further that such information will not be used by the ISCA in any of its other business activities in a manner that may result in its being made available to any of the other Members or that is otherwise inconsistent with the confidentiality of such information.”).

For the above reasons and the reasons stated in its Proposal and Comment Letters, the Exchange believes its Proposal is consistent with the Act and respectfully requests that the Commission approve the above-referenced Proposal without delay.

A handwritten signature in blue ink, appearing to read "E. Lofgren K. K. J.", is written in a cursive style.

Sincerely,