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November 4, 2016

**VIA E-MAIL**

Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: Securities Exchange Act Rel. 34-78628 (SR-NYSEArca-2016-89)

Dear Mr. Fields:

NYSE Arca, Inc. filed the attached Partial Amendment No. 1 to the above-referenced filing on November 2, 2016.

Sincerely,

A handwritten signature in blue ink, appearing to be "BJF", written in a cursive style.

Encl. (Partial Amendment No. 1 to SR-NYSEArca-2016-89)

Required fields are shown with yellow backgrounds and asterisks.

Filing by NYSE Arca  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
 Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).  
 Proposal to amend the colocation services offered by the Exchange

**Contact Information**  
 Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Martha      Last Name \* Redding  
 Title \* Associate General Counsel NYSE Group Inc  
 E-mail \* [REDACTED]  
 Telephone \* [REDACTED]      Fax [REDACTED]

**Signature**  
 Pursuant to the requirements of the Securities Exchange Act of 1934,  
 has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
 (Title \*)  
 Date 11/02/2016      Senior Counsel  
 By David De Gregorio      [REDACTED]  
 (Name \*)  
 NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.  
 David DeGregorio,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

## SR-NYSEArca-2016-89, Partial Amendment No. 1

NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) hereby submits this Partial Amendment No. 1 to the above-referenced filing (“Filing”), in connection with the proposed rule change to amend the co-location services offered by the Exchange to: (1) provide additional information regarding the access to trading and execution services and connectivity to data provided to Users with local area networks available in the data center; and (2) establish fees relating to Users’ access to trading and execution services; connectivity to data feeds and to testing and certification feeds; access to clearing; and other services. In addition, this proposed rule change reflects changes to the NYSE Arca Options Fee Schedule and, through its wholly owned subsidiary NYSE Arca Equities, Inc., the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services. The Exchange proposes the following amendments to the Filing:

**1. The Exchange proposes to amend the carryover paragraph on pages 9 and 10 of the Filing (second full paragraph on page 39 of the Exhibit 1):**

The Exchange proposes to make a non-substantive amendment to add a new sentence at the start of the carryover paragraph on pages 9 and 10 of the Filing (second full paragraph on page 39 of the Exhibit 1) and to delete the final sentence of the paragraph, as follows (new text underlined and proposed deletions [bracketed]):

The Premium NYSE Data Products include the NYSE, NYSE MKT and NYSE Arca Integrated Feeds (each, an “Integrated Feed”) and the NYSE Best Quote and Trades feed (“NYSE BQT feed”). The Premium NYSE Data Products are equity market data products that are variants of the equity Included Data Products. Each Premium NYSE Data Product integrates, or includes data elements from, several Included Data Products.<sup>17/18</sup> For example, the NYSE Integrated Feed includes, among other things, information available from three of the equity Included Data Products: NYSE OpenBook, NYSE Trades, and NYSE Order Imbalances.<sup>18/19</sup> [The NYSE BQT data feed includes, among other things, certain data elements from six of the equity Included Data Products: NYSE Trades, NYSE BBO, NYSE Arca Trades, NYSE Arca BBO, NYSE MKT Trades, and NYSE MKT BBO.<sup>19/20</sup>]

**2. The Exchange proposes to amend the first full paragraph on page 10 of the Filing (first full paragraph on page 40 of the Exhibit 1):**

The Exchange proposes to make a non-substantive amendment to delete the last sentence of the first full paragraph on page 10 of the Filing (first full paragraph on page 40 of the Exhibit 1) and move the text to the start of footnote 20 (footnote 21 of the Exhibit 1). The paragraph would read as follows (proposed deletions [bracketed]):

By contrast, while some of the Included Data Products include data elements from other Included Data Products, no single Included Data Product includes as much data as a Premium NYSE Data Product for the same market.[ With the exception

of NYSE Arca Order Imbalances, the equity Included Data Products were introduced before the Premium Data Products.]<sup>20/21</sup>

The first sentence of the revised footnote would read as follows (new text underlined):

<sup>20/21</sup> With the exception of NYSE Arca Order Imbalances, the equity Included Data Products were introduced before the Premium Data Products.

**3. The Exchange proposes to add two new paragraphs and accompanying footnotes after the first full paragraph on page 10 of the Filing (first full paragraph on page 40 of the Exhibit 1):**

The Exchange proposes to include additional information in the Filing regarding the differing benefits of connectivity to Premium NYSE Data Products and connectivity to Included Data Products. Accordingly, the Exchange proposes to add two new paragraphs and accompanying footnotes after the first full paragraph on page 10 of the Filing (first full paragraph on page 40 of the Exhibit 1), as follows (new text underlined):

Connectivity to Premium NYSE Data Products offers Users benefits that connectivity to Included Data Products does not. Each Integrated Feed provides real-time data in a unified view of events, in sequence, as they appear on the relevant market's matching engines. Each Integrated Feed includes depth of book order data (with add, modify and delete orders), trades (with corrections and cancel/errors), opening and closing imbalance data, security status updates (e.g., trade corrections and trading halts) and stock summary messages. The stock summary message includes the relevant market's opening price, high price, low price, closing price, and cumulative volume for the security.<sup>21/22</sup> Only the Integrated Feeds offer all these components in sequence in one feed.

For its part, the NYSE BQT data feed includes, among other things, certain data elements from six of the equity Included Data Products of the Exchange and Affiliated SROs in one data feed: NYSE Trades, NYSE BBO, NYSE Arca Trades, NYSE Arca BBO, NYSE MKT Trades, and NYSE MKT BBO.<sup>22/23</sup> By contrast, none of the Included Data Products provides Users with data from the Exchange and Affiliate SROs in one feed.

<sup>21/22</sup> See SR-NYSE-2015-03, supra note 17, at 4952; SR-NYSEMKT-2015-06, supra note 17, at 4956; and SR-NYSEArca-2078, supra note 17, at 69311.

<sup>22/23</sup> See SR-NYSE-2014-40, supra note 17, at 67491.

**4. The Exchange proposes to amend the second full paragraph on page 23 of the Filing (carryover paragraph on pages 57 and 58 of the Exhibit 1):**

The Exchange proposes to amend the Filing to clarify its discussion of the costs incurred by the Exchange in offering Access, Connectivity, and VCCs as conveniences to Users. Accordingly, the Exchange proposes to amend the second full paragraph on page 23 of

the Filing (carryover paragraph on pages 57 and 58 of the Exhibit 1), as follows (new text underlined and proposed deletions [bracketed]):

[Overall, t]The Exchange believes that the proposed charges are reasonable, equitably allocated and not unfairly discriminatory because the Exchange offers Access, Connectivity, and VCCs as conveniences to Users, [and in doing so incurs certain costs. The expenses incurred and resources expended by the Exchange to]but in order to do so must provide, maintain and operate [these services generally include costs related to ]the data center facility hardware and technology infrastructure[; maintenance and operational costs, such as the costs of responding to any production issues; and the costs related to the personnel required for initial]. The Exchange must handle the installation[ and], administration, monitoring, support and maintenance of such services, including by responding to any production issues. Since the inception of co-location, the Exchange has made numerous improvements to the network hardware and technology infrastructure and has established additional administrative controls. The Exchange has expanded the network infrastructure to keep pace with the increased number of services available to Users, including the increasing bandwidth required for Access and Connectivity, including resilient and redundant feeds. For example, the Exchange must ensure that the network infrastructure has the necessary bandwidth for connectivity to the Premium NYSE Data Products as well as the Included Data Products, as on a typical trading day no single Included Data Product will require as much bandwidth as a Premium NYSE Data Product for the same market. In addition, [the Exchange incurs certain costs specific to providing]in order to provide connectivity to Third Party Data Feeds, Third Party Systems, third party testing and certification feeds and DTCC, [including the costs of ]the Exchange must maintain[ing] multiple connections to each Third Party Data Feed, Third Party System, and DTCC, allowing the Exchange to provide resilient and redundant connections; adapt[ing] to any changes made by the relevant third party; and cover[ing] any applicable fees (other than redistribution fees) charged by the relevant third party, such as port fees.

**5. The Exchange proposes to amend the final sentence of the carryover paragraph on pages 23 and 24 of the Filing (carryover paragraph on pages 58 and 59 of the Exhibit 1):**

The Exchange proposes to amend the Filing to state that it believes that providing connectivity to Premium NYSE Data Products for a fee is reasonable because such access and connectivity is directly related to the purpose of co-location. Accordingly, the Exchange proposes to amend the final sentence of the carryover paragraph on pages 23 and 24 of the Filing (carryover paragraph on pages 58 and 59 of the Exhibit 1) to add “and providing connectivity to Premium NYSE Data Products for a fee” between “IP network” and “is reasonable.” The revised sentence would read as follows (new text underlined and proposed deletions [bracketed]):

Accordingly, the Exchange believes that including access to the Exchange Systems and connectivity to Included Data Products with the purchase of access to the LCN or IP network and providing connectivity to Premium NYSE Data Products for a fee is reasonable because such access and connectivity is directly related to the purpose of co-location.

**6. The Exchange proposes to amend the carryover paragraph on pages 24 and 25 of the Filing (carryover paragraph on pages 60 and 61 of the Exhibit 1):**

The Exchange proposes to amend the Filing to include more detail regarding why it believes that it is reasonable, equitable and not unfairly discriminatory to include connectivity to the Included Data Products with the purchase of access to the LCN or IP network but charge Users for connectivity to Premium NYSE Data Products. Accordingly, the Exchange proposes to amend the carryover paragraph on pages 24 and 25 of the Filing (carryover paragraph on pages 60 and 61 of the Exhibit 1), making it three paragraphs, as follows (new text underlined and proposed deletions [bracketed]):

[The Premium NYSE Data Products are equity market data products that are variants of the equity Included Data Products. Each Premium NYSE Data Product integrates, or includes data elements from, several Included Data Products.] With the exception of the NMS feeds, the Included Data Products and the Premium NYSE Data Products are all proprietary feeds of the Exchange and the Affiliate SROs. Charging separate fees for connectivity to Premium NYSE Data Products, as opposed to Included Data Products, is a decision based on an assessment of the competitive landscape. The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to include connectivity to the Included Data Products with the purchase of access to the LCN or IP network but charge Users for connectivity to Premium NYSE Data Products, because they are two different services, just as connectivity to DTCC and connectivity to Third Party Systems are different services, even though the physical and technical connections are similar. Connectivity to Premium NYSE Data products offers Users benefits that connectivity to Included Data Products does not.

More specifically, Users that purchase connectivity to an Included Data Product receive the benefit of reduced latency when connecting to individual feeds with data from one market. Connectivity to a given Included Data Product may provide the User with access to information on, for example, trades, bid/ask quotations (BBO), buy and sell order imbalances, security status updates, or options. However, unless a User purchases connectivity to a Premium NYSE Data Product, it will not receive the benefit of reduced latency when connecting to data feeds that either provide Users with a unified view of events, in sequence, in one feed, as with the Integrated Feeds, or provide Users with data integrated from the Exchange and Affiliated SROs in one feed, as with the NYSE BQT feed.

The Exchange believes that it is reasonable and not unfairly discriminatory to charge Users for connectivity to Premium NYSE Data Products because Users are not required to use any of their bandwidth to connect to a Premium NYSE Data

product unless they wish to do, and each User has several other connectivity options available to it. [The expenses incurred and resources expended by the Exchange] In order to offer connectivity to the Premium NYSE Data Products [include costs related to], the Exchange must provide, maintain and operate the data center facility hardware and technology infrastructure[, such as the cost of]. The Exchange must handle the installation, administration, monitoring, support and maintenance of the connectivity, including by ensuring that the network infrastructure has the necessary bandwidth for the Premium NYSE Data Products[; maintenance] and [operational costs, such as the costs of] responding to any production issues[; and the costs related to the personnel required for initial installation and administration, monitoring, support and maintenance of the connectivity]. By charging only those Users that receive connectivity to a Premium NYSE Data Product, only the Users that directly benefit from such connectivity [support its cost] bear the fees charged for such connectivity.

**7. The Exchange proposes to amend the first sentence and delete the second sentence of the first full paragraph on page 25 of the Filing (carryover paragraph on pages 61 and 62 of the Exhibit 1):**

The Exchange proposes to amend the Filing to provide more detail regarding the benefits that connectivity to Premium NYSE Data Products provides. Accordingly, the Exchange proposes to amend the first sentence and delete the second sentence of the first full paragraph on page 25 of the Filing (carryover paragraph on pages 61 and 62 of the Exhibit 1). In the first sentence, the Exchange proposes to delete the text starting “data feeds that integrate” through the end of the sentence, replacing it with “either the Integrated Feeds, which provide Users with a unified view of events, in sequence, in one feed, or the NYSE BQT feed, which provides Users with data integrated from the Exchange and Affiliated SROs in one data feed.” Accordingly, the paragraph would read as follows (new text underlined and proposed deletions [bracketed]):

The Exchange believes that its fees for connectivity to Premium NYSE Data Products are reasonable because they allow the Exchange to defray or cover the costs associated with offering Users connectivity to Premium NYSE Data Products while providing Users the benefit of reduced latency when connecting to [data feeds that integrate, or include data elements from, several Included Data Products] either the Integrated Feeds, which provide Users with a unified view of events, in sequence, in one feed, or the NYSE BQT feed, which provides Users with data integrated from the Exchange and Affiliated SROs in one data feed. [Charging separate connectivity fees for Premium NYSE Data Products is a decision based on an assessment of the competitive landscape.] As noted above, the Exchange operates in a highly competitive market. If a particular exchange charges excessive fees for co-location services—such as excessive fees for connectivity to the exchange’s market data—affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies. Although Nasdaq does not include connectivity to any of the Premium NYSE Data Products in its co-location services, the Exchange believes that the proposed fees are generally consistent



with the fees that a Nasdaq co-location customer would pay for connectivity to the individual feeds included in a Premium NYSE Data Product. For example, the NYSE Integrated Feed includes, among other things, information available from three of the Included Data Products: NYSE OpenBook, NYSE Trades, and NYSE Order Imbalances. Nasdaq offers connectivity to two of those feeds, OpenBook Ultra and NYSE Trades, for which it would charge a co-located customer a combined monthly fee of \$2,600.<sup>42/43</sup> The Exchange believes that it is reasonable to charge less for connectivity to the resilient Premium NYSE Data Products on the LCN than over the IP network, because Users do not have the option to connect to Feed A or Feed B over the LCN.

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All other representations in the Filing remain as stated therein and no other changes are being made.