



Elizabeth K. King
General Counsel and
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New York Stock Exchange
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May 11, 2017

VIA E-MAIL

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

Re: Securities Exchange Act Release No. 79998 (February 9, 2017), 82 FR 10828 (February 15, 2017) (SR-NYSEMKT-2017-05) (the "Proposal")

Dear Mr. Fields:

NYSE MKT LLC ("NYSE MKT" or the "Exchange") appreciates the opportunity to provide additional information in support of the Proposal.

The Exchange believes that the proposed length of the added delay of 350 microseconds is consistent with Section 6 of the Securities and Exchange Act of 1934 (the "Act") because it is designed to achieve the purpose of the proposed Delay Mechanism in a manner that is not unfairly discriminatory. Specifically, as previously described, the Exchange believes that the proposed Delay Mechanism would allow undisplayed orders to meet their order instruction to be dynamically updated to prices based on changes to the PBBO before a new, incoming order generated in response to the same PBBO change can access the resting order. The Exchange believes that the proposed length of 350 microseconds would achieve this purpose because the proposed delay length is "well within the geographic and technological latencies experienced by market participants when routing orders" and would provide Exchange systems sufficient time to update prices based on market data disseminated by other markets.¹ More specifically, the Exchange does not believe that the proposed length of time is too short so as to frustrate the purpose of the Delay Mechanism. In addition, the Exchange does not believe that the proposed

¹ The Exchange's primary systems are located in Mahwah, NJ and receive market data updates from other New Jersey-based exchanges (e.g. BATS in Secaucus, NJ or NASDAQ in Carteret, NJ) in under 350 microseconds. The theoretical minimum time (i.e., the speed of light in a vacuum) for information generated in Carteret to travel to Mahwah is 185 microseconds. Consequently, the maximum latency advantage a participant might have to act in Mahwah based on information from a market event in Carteret is 165 microseconds. The Exchange processes market data updates and re-prices non-displayed orders in less than 100 microseconds. Therefore, the proposed 350 microsecond delay on incoming order messages is sufficiently greater than the sum of any possible market data transit inferiority (< 165 microseconds) and Exchange market data processing time (<100 microseconds) to ensure resting non-displayed orders pegged to the PBBO would be re-priced based on an away market quote update before a new, incoming order responding to the same away market information can access the resting order.

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length would be overly long so as to be unfairly discriminatory to orders subject to the Delay Mechanism.

Sincerely,



Elizabeth K. King

cc: Hon. Jay Clayton, Chairman
Hon. Michael Piwowar, Commissioner
Hon. Kara Stein, Commissioner
Heather Seidel, Acting Director of Trading and Markets
David Shillman, Associate Director of Trading and Markets