UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

In The Matter of:

The Application of SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION

For Review of Action Taken by Certain Self-Regulatory Organizations.

Admin. Proc. File No. 3-16220

APPLICATION FOR AN ORDER SETTING ASIDE RULE CHANGE OF CERTAIN SELF-REGULATORY ORGANIZATIONS LIMITING ACCESS TO THEIR SERVICES

The Securities Industry Financial Markets Association ("SIFMA") submits this application, pursuant to Sections 19(d) and 19(f) of the Securities Exchange Act of 1934 (the "Act"), for an order setting aside Release No. 34-73278; File No. SR-CTA/CQ-2014-03 (the "Rule Change") issued by the Consolidated Tape Association and participant exchanges ("SROs").[1] The Rule Change limits the access of SIFMA's members and their customers to market data made available by the SROs and is inconsistent with the Act.

1. SIFMA is a trade association that represents certain securities firms, banks, and asset managers. Market data is integral to the business of SIFMA's members and their customers, and members of SIFMA regularly access or seek to access the market data that the SROs make available.

2. On October 1, 2014, the SROs provided notice that they filed the Rule Change, which purports to allow them to charge new and amended fees for market data made available exclusively by the SROs. The Rule Change became effective upon filing with the SEC, and the SEC has not suspended the Rule Change or instituted proceedings to disapprove it.

3. SIFMA has submitted other applications pursuant to Sections 19(d) and 19(f) challenging earlier rule changes by the SROs that adopted or amended fees for various market data products. In an order dated May 16, 2014, the SEC held that (1) it has jurisdiction to review such applications by persons aggrieved by an SRO's rule change imposing fees for market data, and (2) such fees will be held unenforceable to the extent they are inconsistent with the Act, including the Act's requirement that the data for which those fees are imposed be made available

[1] The participants are BATS Exchange, Inc.; BATS-Y Exchange, Inc.; Chicago Board Options Exchange, Inc.; Chicago Stock Exchange, Inc.; EDGA Exchange, Inc.; EDGX Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; International Securities Exchange, LLC; NASDAQ OMX BX, Inc.; NASDAQ OMX PHLX, Inc.; Nasdaq Stock Market LLC; National Stock Exchange; New York Stock Exchange LLC; NYSE MKT LLC; and NYSE Arca, Inc.

on "fair and reasonable" terms. Order Establishing Procedures 10–19, Rel. No. 34-72182, Admin. Proc. File Nos. 3-15350 & 3-15351 (May 16, 2014). In addition, the SEC referred to an administrative law judge ("ALJ") SIFMA's challenges to two of the rule changes and stayed proceedings on the other challenges. *Id.* at 19–22.

4. The SEC should set aside the Rule Change because it constitutes a limitation on access to the SROs' services for purposes of Section 19(d) and (f). This is so because it limits access to critical market data for anyone unwilling or unable to pay the onerous, supra-competitive fees the SROs are charging. Furthermore, the SEC should set aside the Rule Change under Sections 19(d) and (f) because SIFMA's members and their customers must pay fees that are not consistent with the Act. The Rule Change is not fair and reasonable and does not provide for the equitable allocation of reasonable fees among persons using the SROs' facilities. Nor does it promote just and equitable principles of trade or protect investors and the public interest. In sum, the Rule Change is unenforceable under Section 19(b)(3)(C).

5. Under the SEC's "market-based" approach, market forces cannot provide a basis for finding that an SRO's non-core data fees are "fair and reasonable" unless the SRO is subject to significant competitive forces in setting the fees. The SROs have offered no evidence of such competitive forces. The SROs also have provided no evidence of the cost of collecting and distributing the data at issue, despite the D.C. Circuit's finding that such costs are undeniably relevant evidence, *see NetCoalition v. SEC*, 615 F.3d 525, 537–38 (D.C. Cir. 2010), and one SRO's concession that its marginal costs are "small, or even zero."

6. SIFMA respectfully requests that this application be held in abeyance pending a decision in the proceeding before the ALJ, as has been done with other challenges.

Dated: October 28, 2014

Respectfully submitted,

SIDLEY AUSTIN LLP

Michael D. Warden
HL Rogers
Eric D. McArthur
Lowell J. Schiller
1501 K Street, N.W.
Washington, D.C. 20005
(202) 736-8000
mwarden@sidley.com

W. Hardy Callcott
555 California Street
San Francisco, CA 94104
(415) 772-7402

Counsel for SIFMA

Rule of Practice 420(c) Statement: Service upon the applicant may be accomplished by serving their attorneys at the address listed above.

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CERTIFICATE OF SERVICE

I hereby certify that on October 28, 2014, I caused a copy of the foregoing Application For An Order Setting Aside Rule Changes Of Certain Self-Regulatory Organizations to be served on the parties listed below by First Class Mail. Service was accomplished on the Exchanges via First Class Mail because of the large service list.

Kevin M. O'Neill
Deputy Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
(via hand delivery)

Janet L. McGinness
Corporate Secretary
New York Stock Exchange LLC
NYSE Arca, Inc.
NYSE Amex, Inc.
11 Wall Street
New York, New York 10005

Edward S. Knight
Executive Vice President and General Counsel
NASDAQ Stock Market LLC
One Liberty Plaza
165 Broadway
New York, New York 10006

Jeffrey S. Davis
NASDAQ OMX
805 King Farm Boulevard
Rockville, MD 20850

John Yetter
NASDAQ OMX
805 King Farm Boulevard
Rockville, MD 20850

Jeffrey Rosentrock
General Counsel
Direct Edge
545 Washington Boulevard
6th Floor
Jersey City, NJ 07310

Joanne Moffic-Silver
General Counsel
Chicago Board Options Exchange, Inc.
400 South LaSalle Street
Chicago, IL 60605

Michael J. Simon
General Counsel
International Securities Exchange, LLC
60 Broad Street
New York, New York 10004

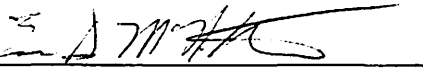
Eric Swanson
General Counsel and Secretary
BATS Exchange, Inc.
BATS Y Exchange, Inc.
8050 Marshall Drive
Lenexa, KS 66241

David Whitcomb
General Counsel
Chicago Stock Exchange, Inc.
440 South LaSalle Street
Chicago, IL 60605

Marcia E. Asquith
Corporate Secretary
Financial Industry Regulatory Authority, Inc.
1735 K Street
Washington, DC 20006

Philip M. Pinc
Vice President, Counsel and Secretary
National Stock Exchange, Inc.
440 South LaSalle Street, Suite 2600
Chicago, IL 60605

Dated: October 28, 2014



Eric D. McArthur