SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73279; File No. S7-24-89)

October 1, 2014

Joint Industry Plan; Notice of Filing and Immediate Effectiveness of Amendment No. 33 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis Submitted by the BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, 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 LLC, Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc.

Pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 608 thereunder,[2] notice is hereby given that on September 12, 2014, the operating committee ("Operating Committee" or "Committee")[3] of the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis ("Nasdaq/UTP Plan" or "Plan") filed with the Securities and Exchange Commission ("Commission") an amendment to the Plan.[4] This amendment represents Amendment No. 33

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1 15 U.S.C. 78k-1.

2 17 CFR 242.608.

3 The Plan Participants (collectively, "Participants") are the: BATS Exchange, Inc.; BATS Y-Exchange, Inc.; Chicago Board Options Exchange, Incorporated; 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 LLC; Nasdaq Stock Market LLC; National Stock Exchange, Inc.; New York Stock Exchange LLC; NYSE MKT LLC; and NYSE Arca, Inc.

4 The Plan governs the collection, processing, and dissemination on a consolidated basis of quotation information and transaction reports in Eligible Securities for each of its Participants. This consolidated information informs investors of the current quotation and recent trade prices of Nasdaq securities. It enables investors to ascertain from one data source the current prices in all the markets trading Nasdaq securities. The Plan

("Amendment No. 33") to the Plan and modifies the Plan's fee schedule without the expectation of incremental revenue to the Participants. The Participants voted in accordance with the requirements of the Plan[5] to make the following changes to the Plan's fee schedule: 1) Decrease the Professional Subscriber Fee from $23 to $22 per month per interrogation device; 2) Increase the per-query charge from $0.005 to $0.0075; and 3) Establish Non-Display fees for three categories of Non-Display use. These "2015 Fee Changes" respond to long-term changes in data-usage trends. In formulating the proposed fee changes, the Participants formed a subcommittee to study trends among market data users and consulted with the industry representatives that sit on the Plans' Advisory Committees and with other industry Participants. The Participants also met with the Securities Industry and Financial Markets Association ("SIFMA").

Pursuant to Rule 608(b)(3)(i) under Regulation NMS, the Participants hereby designate the proposed Amendment 33 as establishing or changing a fee or other charge collected on their behalf in connection with access to, or use of, the facilities contemplated by the Plans. As a result, Amendment 33 becomes effective upon filing with the Commission. The changes will be implemented on January 1, 2015.

At any time within 60 days of the filing of Amendment No. 33, the Commission may summarily abrogate Amendment No. 33 and require that the Amendment be refiled in

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serves as the required transaction reporting plan for its Participants, which is a prerequisite for their trading Eligible Securities. See Securities Exchange Act Release No. 55647 (April 19, 2007), 72 FR 20891 (April 26, 2007).

5 Section IV(C)(2) of the Plan provides that "the affirmative vote of two-thirds of the Participants entitled to vote shall be necessary to" establish new fees or increase existing fees relating to Quotation Information and Transaction Reports in Eligible Securities. A unanimous affirmative vote of the Operating Committee was conducted on August 13, 2014 and recorded in the official minutes of that meeting.

accordance with paragraph (a)(1) of Rule 608 and reviewed in accordance with paragraph (b)(2) of Rule 608, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act. The Commission is publishing this notice to solicit comments from interested persons.

I. Rule 608(a)

A. Purpose of the Amendments

(a) Background

The Participants made several changes to the fee schedule effective as of January 1, 2014.[6] Those changes introduced reporting by redistributors on a "net" basis, increased the Professional Subscriber device fee, the Enterprise Maximum for Nonprofessional Subscriber usage, and the Direct Access fee, and established Real-Time and Delayed Redistributor fees (collectively, the "January 2014 Fee Changes"). They also complied with industry requests that the participants in the several national market system plans strive to harmonize fee structures under those plans. In submitting the January 2014 Fee Changes to the Commission, the Participants identified past attrition and the expectation of continued attrition in the reporting and consumption of consolidated market data. They anticipated that the January 2014 Fee Changes would generate enough revenue to offset the revenue declines resulting from that attrition. Actual experience with the January 2014 Fee Changes shows that, for the first six months of

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6 See Release No. 34-70953; File No. S7-24-89 (December 4, 2013), http://www.gpo.gov/fdsys/pkg/FR-2013-12-04/html/2013-28970.htm.

2014, revenues under the Plan rose five percent relative to the second half of 2013, but not enough to recover from attrition losses over the past three years.

Prior to the January 2014 Fee Changes, the Participants last increased the Professional Subscriber device fees in 1997. Since then, significant change has characterized the industry, stemming in large measure from technological advances, the advent of trading algorithms and automated trading, new investment patterns, new securities products, unprecedented levels of trading, decimalization, internationalization and developments in portfolio analysis and securities research. Measures of Plan inputs and outputs have expanded dramatically, including the number of exchange participants, messages per period, message speed, and total shares and dollar volume of trading. Related measures of value to the industry have improved and related industry costs have fallen, including the cost per message, the cost per trade, and the cost per share and dollar volume traded.

The 2015 Fee Changes would realign the Plans' fees more closely with the ways in which Data Feed Recipients consume market data today. Although Professional Subscriber Display Device fees still account for a majority of Plan revenues, the industry's use of Professional Subscriber Display Devices continues to decline and the gap between Professional Subscriber device rates and Nonprofessional Subscriber fees remains large. The proposed fee changes would reduce the rates that Professional Subscribers pay for each of their Display Devices. To offset the revenue losses attributable to the reduction in Professional Subscriber device rates, the Participants propose to establish fees for Non-Display consumption of market data and to raise the fee payable in respect of per-quote services.

The 2015 Fee Changes also move in the direction of continuing to harmonize fee structures under the Plan with fee structures under the CTA Plan, the CQ Plan and the OPRA

Plan. This would further reduce administrative burdens for broker-dealers and other market data users and further simplify usage reporting and calculations related to the unit of count.

While the 2015 Fee Changes will rebalance the fee schedule, the Participants anticipate that the proposed 2015 Fee Changes would have only a small impact on Plan revenues, increasing those revenues by approximately two to three percent over the prior year. Of course, that number is hard to estimate, given the uncertainties of Non-Display use revenues and declining Level 1 Professional populations.

(b) The Proposed Changes

i. Professional Subscriber Fee

Prior to the January 2014 Fee Changes, the Professional Subscriber device fee had remained at $20 per month since 1997. The January 2014 Fee Changes raised it to $23 per month. Amendment 33 would reduce the Professional Subscriber device fee from $23 per month to $22 per month. At $22 per month, the increase amounts to an increase of one-half of one percent per year over a 17-year period. During that period, the amount of market data and the categories of information distributed through the UTP Level 1 Service have grown dramatically. Since then, the securities information processor under the Plan (the "SIP") has made hundreds of modifications to the UTP Trade Data Feed and the UTP Quotation Data Feed ("UQDF") to keep up with changes in market structure, regulatory requirements and trading needs. These modifications have added elements such as new messages, new fields, and new values within designated fields to the UTP Level 1 Service. These modifications have caused the UTP Level 1 Service to support such industry developments as Regulation NMS, decimalization, limit up/limit down, and many other changes.

In addition to the many modifications, the number of quotes and trades that the

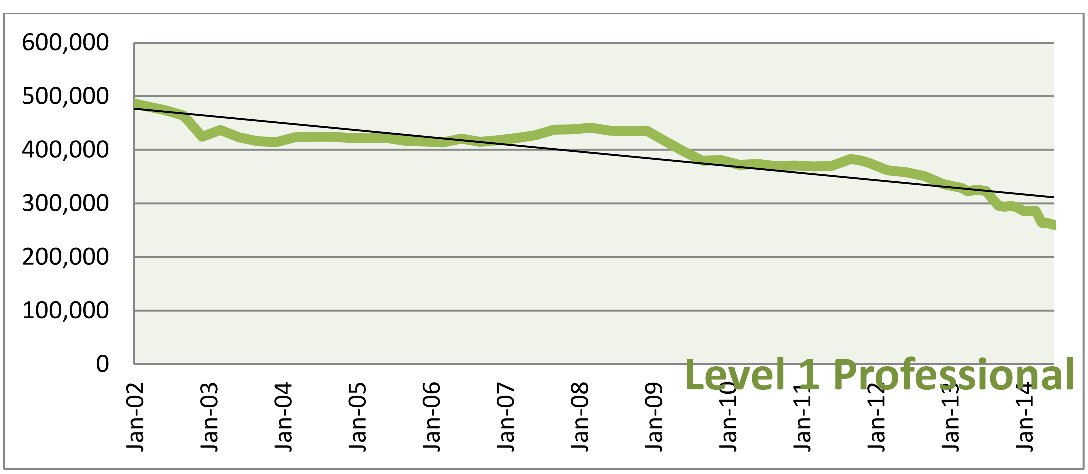
Participants have reported under the Plan has grown dramatically. As an example of the growth in quotes distributed over the UTP Level 1 Service, from the fourth quarter of 2010 to the second quarter of 2014, UTP UQDF Peak Quotes Per Second has increased by 130% from 119,347 to 273,996. Over that period, the Average Quotes Per Day has increased more than 32% to 112,621,874 [www.utpplan.com].

Tape C Quote Metrics	**Q2 2014**	**Q4 2010**	**Difference**
Peak Quotes Per Second	273,996	119,347	130%
Avg. Quotes Per Day	112,621,874	85,402,614	32%
Avg. Quote Latency (ms)	0.59	4.5	-87%

As an example of the growth in trades distributed over the UTP Level 1 Service, from the fourth quarter of 2010 to the second quarter of 2014, UTP UTDF Peak Trades Per Second has increased by a 221% from 30,292 to 97,232. Over that period, the Average Trades Per Day has increased more than 76% to 11,027,210 [www.utpplan.com].

Tape C Trade Metrics	**Q2 2014**	**Q4 2010**	**Difference**
Peak Trades Per Second	97,232	30,292	221%
Avg. Trades Per Day	11,027,210	6,251,074	76%
Avg. Quote Latency (ms)	0.72	6	-88%

At the same time, Professional Subscribers' usage of Level 1 data has been declining:



Professional Subscriber fees collected have declined as well. For example, as of September 30, 2011, the Plan's 382,862 Professional Subscribers paid $7,657,240 per month.[7] As of September 30, 2012, the Plan's 351,106 Professional Subscribers paid $7,022,120. As of September 30, 2013, the Plan's 295,192 Professional Subscribers paid $5,903,890. As of June, 2014, the Plan's 259,728 Professional Subscribers paid only $5,973,744 (which reflects the rate increase established in the January 2014 Fee Changes). In sum, monthly revenues from Professional Subscriber device fees for June 2014 remain more than $1,683,486 below the level of Professional usage fees collected in September 2011, notwithstanding the rate increase established in the January 2014 Fee Changes.

Fees for UTP Level 1 compare favorably to fees for comparable Network A and B data. Under the CT/CQ Network A tiered structure, a firm reports how many Display Devices the Professional Subscriber employs; that number then is used to determine the tier within which the firm falls. Until last September, the Network A fees for Professional Subscribers ranged from $18.75 per device for firms employing Professional Subscribers who use more than 10,000 devices to $127.25 per device for an individual Professional Subscriber. In June of 2013, Network A lowered that range to $20 to $50 per device. The Participants understand that Network A intends to lower that range in the near future to $19 to $45.[8] Also in June of 2013, Network B combined the fees payable for a Professional Subscriber's receipt of quotation

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7 Professional Subscriber counts are calculated and published quarterly and posted on utpplan.org. The latest quarterly figures reflect a 15 percent annual decline in Professional Subscribers. See http://www.utpplan.com/.

8 Specifically, the Network A monthly fees for Professional Subscriber devices would become $45 per month for users with 1 or 2 devices, $27 per month for users with 3 to 999 devices, $23 per month for users with 1,000 to 9,999 devices, and $19 per month for users with 10,000 or more devices.

information and last sale price information and set the combined monthly fee at $24 per month. The combined $24 rate reduced costs for most Professional Subscribers, with the exception of a small number of Data Feed Recipients who receive last sale or quotation information, but not both. The Participants understand that Network B intends to lower that rate in the near future from $24 to $23. Under the OPRA Plan, the device fee is currently $27 per month.

The Participants anticipate that the revenue losses that would result from the reduction in Professional Subscriber device rate from $23 to $22 would be offset by the other proposed amendments to the fee schedule and that, in the aggregate, the 2015 Fee Changes would not result in a material change in overall revenues under the Plans.

ii. Per-Query Fee

As an alternative to monthly professional subscriber and nonprofessional subscriber fees, a vendor may respond to end-user queries for quote and trade information and pay a fee for each such response. The Participants first established the per-query fee in 1992 as a pilot at $0.015 per query. In 1995, it was noted that the Nasdaq/UTP per-query fee was three times that of the Network A and Network B counterparts. Subsequently, the Nasdaq/UTP per-query fee was made a permanent part of the fee schedule and was lowered to $0.01 per query to be more in line with Networks A and B. In April 1999, a pilot at a reduced rate of $.005 per query was filed and in April 2001, it was approved as the permanent fee structure. The fee has remained at $0.005 per query ever since. The Participants are now proposing to increase the fee to $0.0075 per query. This increase would help to offset the revenue loss that will result from the decrease in the Professional Subscriber device fee.

Effective June 1, 2013, the Participants in the OPRA Plan increased their per-query fee to $0.0075.[9] In addition, the Participants understand that the Network A Participants and the Network B Participants are contemplating similar increases to $0.0075 per query under the CTA Plan and the CQ Plan.

The Participants note that increasing the per-query fee to $0.0075 would continue to harmonize the per-query fee structure under the national market system plans and would contribute toward restoring a more appropriate balance of fees in recognition of the declining significance of revenues derived from Professional Subscriber device fees. The increase in revenues resulting from the proposed increase in the per-query fees would represent an appropriate contribution for that service to covering the overall costs of the Participants in collecting, processing and distributing market data under the Plans.

iii. Non-Display Fees

A. Background. Changes in regulation and advances in technology have had an impact on market data usage in recent years. Automated and algorithmic trading has proliferated, the numbers of quotes and trades have increased significantly and Data Feeds have become exponentially faster. Today, Non-Display Devices consume large amounts of data, and can process the data far more quickly than any human being looking at a terminal. Today, such devices are responsible for a majority of trading. Many firms incorporate Non-Display data into trading applications, without the need for their employees to have widespread access to the data. It enables them to generate considerable profits

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9 See Release No. 34-69448; File No. SR-OPRA-2013-01 (April 25, 2013), http://www.sec.gov/rules/sro/nms/2013/34-69448.pdf.

These changes in market data consumption patterns show that Non-Display use now constitutes a significant portion of the industry's consumption of market data and that market data adds considerable value to many firms' business model.

As a result, the Participants have determined that the establishment of fees for Non-Display uses of data, along with a reduction in the Professional Subscriber device fee and the increase in the per-query fee, would provide an equitable allocation of fees to the industry, would facilitate the administration of Non-Display uses of market data and would equitably reflect the value of Non-Display and display data usage. The Participants believe that the proposed fees reflect the value of the data provided and note that Non-Display fees have become commonplace in the industry. Several exchanges impose Non-Display fees for their proprietary data products, as does the OPRA Plan. In addition, the Participants understand that the Network A Participants and the Network B Participants are also contemplating the establishment of fees for Non-Display uses of data.

B. Definition of Non-Display Use. For purposes of the proposed fees, Non-Display use refers to accessing, processing or consuming data, whether received via direct and/or redistributor Data Feeds, for a purpose other than solely facilitating the delivery of the data to the Data Feed Recipient's display or for the purpose of further internally or externally redistributing the data. Further redistribution of the data refers to the transportation or dissemination to another server, location or device. In instances where the Data Feed Recipient is using the data in Non-Display to create derived data and use the derived data for the purposes of solely displaying the derived data, then the Non-Display fee schedule does not apply, but the data may be fee liable under the regular fee schedule.

C. Categories of Non-Display Use. The Participants recognize three types of Non-Display Uses as follows:

(a) The Non-Display fee for Electronic Trading Systems applies when a datafeed recipient makes a Non-Display of data in an electronic trading system, whether the system trades on the datafeed recipient's own behalf or on behalf of its customers. This fee includes, but is not limited to, use of data in any trading platform(s), such as exchanges, alternative trading systems ("ATS's"), broker crossing networks, broker crossing systems not filed as ATS's, dark pools, multilateral trading facilities, and systematic internalization systems.

An organization that uses data in electronic trading systems must count each platform that uses data on a non-display basis. For example, an organization that uses quotation information for the purposes of operating an ATS and also for operating a broker crossing system not registered as an ATS would be required to pay two Electronic Trading System fees.

(b) Non-Display Enterprise Licenses. The Participants recognize two types of Non-Display Licenses as follows:

(i) The Non-Display fee for Internal Use applies when a datafeed recipient's Non-Display usage is on its own behalf (other than for purposes of an electronic trading system).

(ii) The Non-Display fee for External Use applies when a datafeed recipient's Non-Display usage is on behalf of its customers (other than for purposes of an electronic trading system).

The two types of Non-Display Enterprise Licenses include, but are not limited to, use of data for automated order or quote generation and/or order pegging, price referencing for algorithmic trading, price referencing for smart order routing, operations control programs, investment analysis, order verification, surveillance programs, risk management, compliance or portfolio valuation.

D. Examples of Non-Display Uses of Market Data. Examples of the Non-Display Electronic Trading System Fee include, but are not limited to:

- any trading in any asset class
- exchanges
- alternative trading systems (ATSs)
- broker crossing networks
- broker crossing systems not filed as ATSs
- dark pools
- multilateral trading facilities
- systematic internalization systems

Examples of Non-Display Use for Non-Display fee for Internal Use and Non-Display fee for External Use include, but are not limited to:

- automated order or quote generation and/or order pegging
- price referencing for algorithmic trading
- price referencing for smart order routing
- operations control programs
- investment analysis
- order verification
- surveillance programs
- risk management
- compliance

- portfolio valuation

E. Non-Display Fee. For each of type of fee, the Participants propose to impose a monthly fee of $3500 for the Non-Display use of the combined last sale price information and quotation information.

By way of comparison, the Participants understand that Network A intends to establish separate monthly Non-Display Fees of $2,000 for last sale prices plus $2,000 for quotation information and that Network B intends to establish monthly Non-Display Fees of $1,000 for last sale prices plus $1,000 for quotation information.

In addition, the Non-Display fee for Electronic Trading Systems applies once to each Data Feed Recipient's account for each of the firm's electronic trading systems. If a firm uses quotes solely to operate a dark pool for its customers' orders and makes no other Non-Display use of market data, it would pay the Non-Display fee for Electronic Trading Systems (and not the other Non-Display Licenses). If that firm also uses quotes to operate an ATS, but still makes no other Non-Display uses of market data, it would pay two Non-Display fees for Electronic Trading Systems fees (and no other Non-Display Licenses).

The fees for Non-Display Enterprise Licenses are enterprise licenses for the Non-Display uses that fall within either Internal or External usage. Only one Non-Display Enterprise License fee applies to each Data Feed Recipient's account regardless of the number of Non-Display uses of data the firm makes within that category (either Intenral or External). For instance, if a firm makes Non-Display uses of data to analyze investments for its own portfolio, to value that portfolio, to verify the firm's proprietary orders and to run compliance programs for the firm, the firm would pay only one Non-Display fee for Internal Use fee. Similarly, if a firm makes Non-Display uses of data to analyze investments for customers, to verify customer orders, to surveil the market it conducts for customers, to provide risk management services to customers and to value its customers' portfolios, the firm would pay only one Non-Display fee for External Use fee. Finally, if a firm makes Non-Display uses of data to analyze investments for its own portfolio and to analyze investments for customers, the firm would pay both the Non-Display fee for Internal Use and the Non-Display fee for External Use fee.

The fees apply to each of a Data Feed Recipient's accounts that uses market data for Non-Display purposes. The Participants would only invoice Data Feed Recipients that make Non-Display uses of real-time market data on a monthly basis.

A firm may use data for each of Non-Display fees and thereby subject itself to the Non-Display fee for each category. For example, if a broker-dealer operates an ATS (Non-Display fee for Electronic Trading Systems), operates a trading desk to trade with its own capital (Non-Display fee for Internal Use), and operates a separate trading desk to trade on behalf of its clients (Non-Display fee for External Use), then the Non-Display fee would apply in respect of all three categories. If, in addition to the ATS, the firm also operates a broker crossing system not registered as an ATS, then two Non-Display fees for Electronic Trading Systems would apply in respect of each market data product. That is, a firm must count each electronic trading system that uses data for payment of the Non-Display fee for Electronic Trading Systems.

F. Administrative Requirements for Non-Display Uses. In response to feedback received from SIFMA, the Participants seek to minimize the administrative burden attendant to Non-Display fees and, therefore, have determined not to impose a monthly reporting requirement. Instead, the Participants would require each recipient of a real-time Data Feed to make an annual declaration of its Non-Display use to the Participants. They would require each Data Feed Recipient to complete and submit the declaration upon its initial receipt of a Data Feed under the UTP Plan. In addition, if a Data Feed Recipient's use of data changes at any time after the Data Feed Recipient submits its declaration or annual confirmation or update, the Participants would require the Data Feed Recipient to update its declaration at the time of the change to reflect the change of use.

The Participants believe that use of the declaration would keep administrative burdens at a minimum, as SIFMA requested.

The Participants reserve the rights:

(a) to audit Data Feed Recipients' Non-Display use of market data in accordance with the terms of their market data agreements with vendors and others; and

(b) charge Non-Display fees to Data Feed Recipients that do not report any display activity, and do not return a completed declaration in accordance with the requirements specified above.

B. Impact of the Proposed Fee Changes

As with any rebalancing of fees, these 2015 Fee Changes may result in some Data Feed Recipients paying higher total market data fees and in others paying lower total market data fees. The Participants anticipate that the 2015 Fee Changes will not generate enough revenue to offset past and future attrition in reported consolidated market data activity data. That attrition ("Attrition") takes two primary forms.

First, the reduction in Professional Subscriber device fees will reduce revenues under the Plan. They estimate that the percentage of total Plan revenues derived from Professional Subscriber device fees will fall as a result of the reduction in the fee from 59 percent to 54 percent.

Second, several customer-usage trends have declined year-over-year since 2008, particularly declines in Professional Subscriber's consumption of consolidated market data. (More information on these declines can be found in the Participants' Consolidated Data Quarterly Operating Metrics Reports. Those reports can be found at http://www.utpplan.com). The decline in Professional Subscriber data usage has resulted from a challenging financial environment, and corporate downsizing, as well as a liberalization of the SEC's Vendor Display Rule that has permitted substitution of lower-cost and lower-value proprietary data product offerings.

As a result of these declines, revenues generated under the Plans have declined significantly. Since 2008, CTA/UTP market data revenue has declined 16 percent from approximately $463 million in 2008 to $388 million annualized through March of 2014. The Participants will review the impact of the 2015 Fee Changes on an on-going basis and reserve the right to further amend fees in the future, subject to filing any such amended fees with the Commission in accordance with Regulation NMS.

Because the Non-Display fee would be new, it is difficult to estimate the impact they would have on revenues. A best guess is that they would account for approximately 5 percent of revenues. If current usage levels remain the same, the increase in the per-query fee would raise revenues by approximately 1 percent. The decline in the Professional fee would decrease revenues by 5 percent, assuming there was no additional attrition.

Most firms would be impacted only slightly by the 2015 Fee Changes, though a small number of firms would see a more significant impact. Some of the largest firms would realize sizable savings or a large increase in costs.

The Participants estimate that the changes would increase Plan revenues by approximately two to three percent over the prior year, though that number is hard to estimate, given the uncertainties of Non-Display use revenues and declining Level 1 Professional populations.

The Participants note that the 2015 Fee Changes would contribute to stemming the significant loss of revenues under the Plans in recent years as a result of large multi-year declines in Display Devices that Professional Subscribers use. Furthermore, the rise in off-exchange trading has meant that a smaller portion of those revenues have been allocated to exchanges. Thus, the Participants believe that the 2015 Fee Changes would not result in a material increase in overall revenues under the Plans, but would help to stem the tide of declining revenues caused by trends in the use of Display Devices by Professional Subscribers.

C. Governing or Constituent Documents

Not applicable.

D. Implementation of the Amendments

Rule 608(b)(3)(i) of Regulation NMS (the "Rule") permits the Participants to designate a proposed plan amendment as establishing or changing fees and other charges, and to place such an amendment into effect upon filing with the Commission. As mentioned above, the Participants have made that designation. The Rule does not place any limitations on which particular fee changes qualify for immediate effectiveness. Rather, if the Commission believes that a longer comment period is appropriate for a particular filing, it may extend the comment period or abrogate the filing. Ample precedents exist for the filing of multiple or even complex fee changes to NMS Plans on an immediately effective basis over the past thirty years.[10]

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10 See, e.g., Fifth Charges Amendment to the First Restatement of the CTA Plan, File No. S7-433, Release No. 34-19342, 47 Fed Reg 57369-03 (December, 23, 1982); Fourteenth Charges Amendment to the First Restatement of the CTA Plan and Fifth Charges Amendment to the original CQ Plan, File No. S7-30-91, Release No. 34-29863, 56 Fed Reg 56429-01 (November 4, 1991); Second Charges Amendment to the CTA Plan and

Pursuant to the Rule, the Participants have designated Amendment 33 as establishing or changing fees, and will have notified the industry of the proposed Fee Changes well in advance of Amendment 33's effective date. The Participants anticipate implementing the proposed 2015 Fee Changes on January 1, 2015, and intend to give further notice to Data Feed Recipients and end-users of the 2015 Fee Changes.

E. Development and Implementation Phases

See Item I(C) above.

F. Analysis of Impact on Competition

The proposed amendments do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The proposed fee changes reflect the Participants' views that it is appropriate to rebalance the allocation of market data fees and to better track the changing trends in the ways in which the industry uses market data. The proposed fee changes comport with the proliferation of the use of data for dark pools and other Non-Display trading applications. They recognize industry changes that have evolved as a result of numerous technological advances, the advent of trading algorithms and automated trading, different investment patterns, a plethora of new securities products, unprecedented levels of trading, and developments in portfolio analysis and securities research.

In addition, the 2015 Fee Changes would simplify firms' administrative burdens by harmonizing the Plans' fee structures with those under the CTA Plan, the CQ Plan and the

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First Charges Amendment to the CQ Plan, SR-CTA/CQ-97-2, Release No. 34-39235, 62 Fed Reg 54886-01 (October 14, 1997); OPRA Plan amendment SR-OPRA-2004-01, Release No. 34-49382, 69 Fed Reg 12377-01 (March 16, 2004); OPRA Plan amendment SR-OPRA-2007-04, Release No. 34-56950, 72 Fed Reg 71722-01 (December 18, 2007); OPRA Plan amendment SR-OPRA-2012-02, Release No. 34-66564, 77 Fed Reg 15833-01 (March 16, 2012).

OPRA Plan. The use of an annual declaration for Non-Display Use reporting purposes would alleviate the burden of counting devices used for non-trading purposes.

The Participants note that the list of exchanges that have previously implemented Non-Display fees includes the London Stock Exchange, Nasdaq BX, Nasdaq PSX, Nasdaq, NYSE, NYSE MKT LLC and NYSE Arca. They note that the OPRA Plan imposes Non-Display fees and that they understand that the Participants in the CTA Plan and the CQ Plan anticipate doing so shortly.

The Participants hope that the reductions in the Professional Subscriber Display Device rate will foster the widespread availability of real-time market data. At the same time, the new fees for Non-Display uses of market data would cause firms making Non-Display use of data to make appropriate contributions to the costs of collecting, processing and redistributing the data.

In addition, the proposed fee changes would cause the Plan's fees to sync more closely with fee structures under the CTA Plan, the CQ Plan and the OPRA Plan. The proposed reductions in the Professional Subscriber device fee would allow that fee to compare even more favorably with the Professional Subscriber device fees payable under those other Plans and with the Professional Subscriber device fees charged for market data by the largest stock exchanges around the world. The proposed Non-Display fees compare favorably with the comparable fees that the Participants understand the Participants in the CTA Plan and the CQ Plan intend to establish and with the Non-Display fees that individual exchanges charge for their proprietary products. The proposed increase in the per-query fees would harmonize those fees with the per-query fees paid under the OPRA Plan and the comparable fee that the Participants understand the Participants in the CTA Plan and the CQ Plan intend to set.

As a result, the 2015 Fee Amendments would promote consistency in fee structures among the national market system plans, as well as consistency with the preponderance of other market data providers. This would make market data fees easier to administer for Data Feed Recipients.

In the Participants' view, the proposed fee schedule would result in each category of Data Feed Recipient and data user contributing an appropriate amount for their receipt and use of market data under the Plan. The proposed fee schedule would provide for an equitable allocation of dues, fees, and other charges among broker-dealers, vendors, end-users and others receiving and using market data made available under the Plan by recalibrating the fees to more closely correspond to the different benefits different categories of users derive from their different uses of the market data made available under the Plan.

The Participants propose to apply the revised fee schedule uniformly to all constituents (including members of the Participant markets and non-members). The Participants do not believe that the proposed fee changes introduce terms that are unreasonably discriminatory.

The Participants note that fees under the CTA and CQ Plan compare very favorably with the fees that individual exchanges charge for their proprietary data products.

G. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

Not applicable.

H. Approval by Sponsors in Accordance with Plan

In accordance with Section IV(C)(2) of the Plan, more than two-thirds of the Participants have approved the 2015 Fee Change.

I. Description of Operation of Facility Contemplated by the Proposed Amendments

Not applicable.

J. Terms and Conditions of Access

See Item I(A) above.

K. Method of Determination and Imposition, and Amount of, Fees and Charges

1. In General.

The Participants took a number of factors into account in deciding to propose the 2015 Fee Changes. To begin, the Participants' market data staff communicates on an on-going basis with all sectors of the Participants' constituencies and assesses and analyzes the different broker/dealer and investor business models. The staff has expertise in the information needs of the Participants' constituents and used their experience and judgment to form recommendations regarding the 2015 Fee Changes, vetted those recommendations with constituents and revised those recommendations based on the vetting process.

Most significantly, the Participants went back and carefully listened to the recommendations of their Advisory Committee. The Plan requires the Advisory Committee to include, at a minimum, a broker-dealer with a substantial retail investor customer base, a broker-dealer with a substantial institutional investor customer base, an alternative trading system, a data vendor, and an investor. Advisory Committee members attend and participate in meetings of the Participants and receive meeting materials. Members of the Advisory Committee gave valuable input that the Participants used in crafting the proposed 2015 Fee Changes. At several meetings of the Plan's Operating Committee, Advisory Committee members gave valuable input into the formulation of the 2014 Fee Amendments.

In reassessing and rebalancing market data fees as proposed in the amendments, the Participants took a number of factors into account in addition to the views of its constituents, including:

(a) examining the impact that they expect attrition to have on revenues;

(b) crafting fee changes that will not have a significant impact on total revenues generated under the Plans;

(c) setting fees that compare favorably with fees that the biggest exchanges around the globe and the CT/CQ Plan and the OPRA Plan charge for similar services;

(d) setting fees that require each category of market Data Feed Recipient and end-user to contribute market data revenues that the Participants believe are appropriate for that category;

(e) crafting fee changes that appropriately differentiate between constituents in today's environment (e.g., Non-Display firms vs. registered representative firms; large firms vs. small firms; redistributors vs. end-users); and

(f) crafting fees that reduce administrative burdens of Data Feed Recipients and, in the case of the new Non-Display Use fees, minimizes administrative requirements.

2. An Overview of the Fairness and Reasonableness of Market Data Fees and Revenues under the Plans.

a. The Fee Changes Will Have No Impact on Most Individual Investors.

The vast majority of Nonprofessional Subscribers (i.e., individual investors) receive market data from their brokers and vendors. The Participants impose Nonprofessional

Subscriber fees on the brokers and vendors (rather than the investors) and set those fees so low that most brokers and vendors tend to absorb the fees, meaning that the vast majority of individual investors do not pay for market data. The Participants anticipate that the changes to the per-query fee would not have a significant impact on the willingness of broker-dealers to continue to pay the fee on behalf of their customers. The 2015 Fee Changes, including the proposed increase in the per-query fee, will thus have almost no impact on Nonprofessional investors.

b. The Fee Changes Respond to Customer Wishes.

The Fee Changes are fair and reasonable because they offer a resolution to the call by industry participants for a simplified, updated fee schedule that harmonizes with fee schedules under other national market system plans and reduces administrative burdens, a resolution that industry representatives on the Plans' Advisory Committee have warmly embraced.

c. Long-Term Trend of Rate Reduction.

The existing constraints on fees for core market data under the Plan have generally succeeded in reducing market data rates over time. For example, when the effects of inflation are taken into account, the average monthly rate payable for Professional Subscriber device has consistently and dramatically fallen in real terms over the past 16 years. When inflation is taken into account, the real monthly cost of a Professional Subscriber device was $20 in 1997; $17.84 in 2002; $15.48 in 2007 and $13.98 in 2012. Put differently, had price increases kept pace with inflation, the cost of Professional usage of Level 1 data would have increased from $20 in 1997 to $21.94 in 2001; $23.94 in 2005; $27.86 in 2009; and $29.80 in 2014.[11]

d. Explosion of Data.

11 Based on COLA changes, as found at www.ssa.gov.

Although the device fees have fallen after taking inflation into account, the amount of data message traffic that end-users receive by subscribing has skyrocketed, as has the speed at which the data is transmitted.

i. New Data Added to Consolidated Feeds.

The Participants have continually enhanced the consolidated feeds. The enhancements provide significant value. They are critical to the industry in that they permit end-users to do such things as view new markets and implement new regulation. Below is a list of the more significant recent enhancements, including the addition of new Participants, new indicators, new sale conditions, new reason codes and dedicated test symbols.

2014	**Milestones**
January	Implemented January 2014 bid rate changes: • Quotes: 379,500mps • Trades: 77,960mps
	Cleaned SAN fiber cable ends to resolve intermittent connectivity issue
	Reset network interface on monitoring server to resolve connectivity issue
	Implemented socket handler fixes and ACE library upgrade in primary OMDF Backend in primary production environment Implemented miscellaneous bug fixes for several internal components
February	Implemented socket handler fixes and ACE library upgrade in secondary OMDF Backend in primary production environment and disaster recovery environment Implement bandwidth increase for OMDF to 12,000mps
	Implemented daily .csv file with 100ms peak traffic rate data
	Increased OMDF database transaction log backup frequency from 2 hours to 5 minutes

	Replaced faulty LUN for SRA 2011 historical data
	Implemented load balancer upgrade (primary production site)
	Implemented peak traffic statistics spreadsheet automation
March	Implemented FEP upgrade (primary production site)
April	Implemented Reference Price Calculator fix for price band clearing
	Implemented trade FEP fix for regional reference number return
	Implemented penalty report generation fix for arithmetic overflow
	Implemented quote FEP fix for regional reference number return Implemented fix for internal acknowledgement issue from April 3 Implemented back end server tuning changes
May	Removed CBSX bid rates in UQ/UT resulting from their deactivation request
	Implemented database server tuning changes
	Extended Limit Up / Limit Down price band publication to market close
	Upgraded firmware on server in D/R environment to resolve reboot issues
June	Implemented disaster recovery build-out, including F5 load balancer and automatic quote wipeout on D/R failover
	Upgraded firmware on server in primary production environment to resolve reboot issues
	Upgraded BLU and Back End components in primary production environment with D/R build-out software versions
	Upgraded FEP components in primary production environment with D/R build-out software versions
	Implemented UQDF and UTDF bandwidth upgrade

	Implemented Republisher server tuning changes
July	Implemented July 2014 bid rate changes: • Quotes: 483,400mps • Trades: 117,000mps Implemented penalty software using 100ms measurement interval
	Implemented new Supervisory Console page
	Implemented retransmission handling fix for all primary UQDF and UTDF dissemination components

2013	Milestones
January	Implemented January 2013 bid rate changes: • Quotes: 227,701mps • Trades: 38,300mps
	Reconfigured UQDF, UTDF, and OMDF servers to restore network switch diversity for primary and backup services
	Implemented Limit Up / Limit Down Software (no stocks eligible) Implemented secure FTP server for SRA
	Implemented UTP Data Feed bandwidth increase • UQDF 256Mb – 400,000 MPS • UTDF 101 Mb – 150,000 MPS • OMDF 2 MB – 2,800 MPS
February	Implemented reference price calculator / price band

	dissemination Enabled test stocks for limit up / limit down
March	Implemented reference price calculator changes Implemented software fix for rejected 'A4' quote inputs
	Submitted as-of trade reports for January 3rd issue
	Implemented new front end software version (fixes & enhancements) Implemented enhanced reference price calculator module
	Implemented patch for memory growth issue on one server
	Implemented patch for memory growth issue on three servers
	Implemented new front end software version (memory growth issue) Implemented fix for LULD indicator value during trading pause Changed UTP feed start of day time from 4:00am to 3:58am
April	Implemented Market Wide Circuit Breaker interface Retired legacy Emergency Market Conditions Halt / Resume functions Enabled limit up / limit down for 10 NASDAQ-listed tier 1 securities
	Submitted additional as-of trade reports for January 3rd issue
	Enabled limit up / limit down for 19 NASDAQ-listed tier 1 securities Implemented information security recommendations for

	internal browser-based applications (monitoring and console)
	Enabled limit up / limit down for 65 NASDAQ-listed tier 1 securities
	Enabled limit up / limit down for 77 NASDAQ-listed tier 1 securities
May	Enabled limit up / limit down for 97 NASDAQ-listed tier 1 securities Implemented reference price calculator disaster recovery handling
	Changed time source for servers running reference price calculators
	Resized ISG column to handle full UQDF session close recap message
	Disabled “Auto-run” feature on all SIP servers
June	Disabled hyper-threading on servers running reference price calculators
	Implemented software fix for incorrect high price calculation resulting from trade correction
	Manually failed over primary UQDF5 dissemination component to its backup after market close (to service pending retransmission requests)
	Updated multicast port restriction range on all SIP servers Implemented LULD limit state release

July	Implemented July 2013 bid rate changes: • Quotes: 194,102mps • Trades: 36,102mps
	Completed a participant connectivity request
	Implemented throttling statistics collection changes
August	Enabled limit up / limit down for 50 NASDAQ-listed tier 2 securities Extended the price band calculation and dissemination period (9:30am – 3:45pm); double-wide bands calculated from 9:30am-9:45am and 3:35pm-3:45pm
September	Rolled out UTDF connectivity fix Enabled limit up / limit down for 10% of NASDAQ-listed tier 2 securities Enabled limit up / limit down for an additional 30% of NASDAQ-listed securities Enabled limit up / limit down for all eligible NASDAQ-listed securities Implemented FEP emergency fix on quote server 'A' in primary site Implemented FEP emergency fix on quote server 'C' and trade server 'A' in primary site Replaced DIMM and motherboard for primary UQDF channel

	5 server
October	Implemented FEP emergency fix on quote server 'E' and trade server 'C' in primary site
November	Implemented FEP emergency fix on all remaining quote and trade servers in primary site Implemented FEP emergency fix on all servers in disaster recovery environment
December	Implemented capacity staging release Implemented retransmission fix on UQDF channel 6 in primary site Implemented retransmission fix on UQDF channels 4 and 5 in primary site Implemented retransmission fix on UQDF channels through 3 in primary site Implemented retransmission fix on all UQDF channels in disaster recovery environment Replaced end-of-life switch chassis ('A' side) Replaced failed power supply for UTDF 5 primary server Implemented a browser incompatibility fix for the SIP monitoring application Implemented socket handler fixes and ACE library upgrade in all primary quote and trade BLUs in the primary production environment

	Upgraded power supply and added a module to 'B' side switch Implemented socket handler fixes and ACE library upgrade in all secondary quote BLUs in the primary production environment Implemented socket handler fixes and ACE library upgrade in all secondary trade BLUs in the primary production environment Implemented socket handler fixes and ACE library upgrade in all quote and trade BLUs in the disaster recovery environment Implemented trade reporting enhancements (odd lots)
<u>2012</u>	<u>MILESTONES</u>
February	Implemented UQDF bandwidth increase to 175 Mbps
	Implemented a connectivity request for BATS and BATS-Y
April	Implemented UTDF Capacity Phase III changes on UTDF channel 1
	Implemented a connectivity request for NASDAQ
May	Implemented UTDF Capacity Phase III changes on UTDF channels 2-6
October	Implemented significant UQDF, UTDF, and OMDF message format
	changes in preparation for the Limit Up / Limit Down and Market-Wide Circuit Breaker initiatives
	Implemented support for participants' Retail Liquidity

	programs
<u>2011</u>	
January	UQDF bandwidth increased to 96 Mbps, approximately 175,000 messages per second (MPS)
	UTDF bandwidth increased to 33.5 Mbps, approximately 60,000 mps
May	Installed quote processing improvements for UQDF channel 1
June	Installed quote processing improvements for UQDF channel 2-6
October	Implemented UQDF Capacity Phase III changes (throughput and latency improvements)
	Implemented a network-based end-to-end latency measurement solution
November	Implemented UQDF and UTDF symbol redistribution
<u>2010</u>	
January	Updated quote and trade capacity thresholds based on capacity study
February	Modified As Of trade processing for instruments trading in a round lot of less than 100 (e.g. preferred stock, convertible notes)
March	Implemented dynamic throttling communication improvements.
	Implemented quote Front End enhancements to reduce CPU usage and increased throughput

	Retired unused participant input lines.
April	Facilitated a request from NASDAQ OMX PHLX for input connectivity.
	Facilitated a request from Bats-Y for input connectivity.
May	Implemented UTDF improvements to increase throughput and reduce latency.
June	Implemented single-stock circuit breaker halt reason codes.
	Activated participants EDGA Exchange, Inc. and EDGX Exchange, Inc.
July	Updated quote and trade capacity thresholds based on capacity study
August	Implemented short sale trading restriction messaging.
	Enhanced market center-specific non-regulatory halts to support liquidity imbalances.
	Increased UTDF bandwidth to 12.5 Mbps in order to accommodate approximately 22,500 peak messages per second.
	Implemented daily peak traffic rate .CSV files on SRA FTP site.
September	Implemented daily peak traffic rate spreadsheet on SRA FTP site.
	Upgraded quote input servers in the primary production environment.
October	Activated BATS-Y Exchange.

	Upgraded trade input servers in the primary production environment.
	Upgraded participant input servers in the disaster recovery environment.
November	Implemented performance improvements in preparation for bandwidth increases in January 2011
December	Implemented "Consolidator" model performance improvements for UTDF.
<u>2009</u>	
January	Expanded bandwidth for UQDF to handle 53,600 messages per second and UTDF to handle 8400 mps.
	Modified quarterly statistics report to include date and time of 5 minute peak messaging
February	Implemented aberrant / erroneous trade tool to allow the SIP operator to cancel or error large quantities of trades at a participant's request.
March	Enabled dynamic throttling for quotes
	Started beta phase for penalty reports.
May	Implemented a latency reduction enhancement for quotes and trades
June	Implemented SRA and ISG changes in preparation for expansion of UQDF and UTDF multicast channels.
August	Expanded UQDF and UTDF from three to six multicast

	channels.
	Increased UQDF bandwidth to 56 Mbps in order to accommodate approximately 100,000 peak messages per second
	Increased UTDF bandwidth to 8 Mbps in order to accommodate approximately 15,000 peak messages per second.
September	Implemented three new participants (EDGA, EDGX, and BYX) with test quote and trade ports.
	Implemented metrics-collection software to improve performance monitoring.
October	Implemented Front End performance enhancements to reduce CPU usage
November	Facilitated requests from EDGA and EDGX for input connectivity.
December	Implemented further performance enhancements to reduce CPU usage.
	Completed setup of a NASDAQ-hosted website for the UTP Plan Administrator: http://www.utpplan.com/
2008	
January	Support for new stock option "V" Trade modifier.
February	Expanded UQDF bandwidth from 7.8 to 12.5 megabits per second (mbps) to support approximately 23,300 messages per second (mps).

March	Increased the field size for participant inbound sequence number from 7 to 8 digits to support increasing messaging rates.
April	Facilitated a request from BSX for input connectivity.
June	Implemented change to support a new Emergency Market Condition quote resume message.
July	Expanded UQDF bandwidth from 12.5 to 28.0 mbps to support approximately 48,000 mps. UTDF bandwidth was expanded from 3.0 to 4.0 mbps to support approximately 7,200 mps.
September	Facilitated a request from BATS Exchange Inc. for input connectivity.
October	Activation of the BATS Exchange as a new participant in UQDF and UTDF
November	Implemented a participant quote throttling mechanism to protect the system against instability and high latency during periods of heavy traffic, while guaranteeing each participant full access to its projected peak rate.
December	Upgraded SQL database servers to SQL Server 2008 to enhance database performance
2007	
January	Support one, two, and three character stock symbols for NASDAQ listed issuers, in addition to the currently used four- and five-character symbols.

February	Regulation NMS compliance for quotes and trades Quotes: Replace existing NASD quote message with new message that adds a new 1 byte FINRA appendage indicator. Supports a new appendage that identifies FINRA best bid Market Participant ID (MPID) and FINRA best offer MPID. Trades: Support new trade through exempt flag and new 4 byte sale condition field. This resulted in new message formats for long form trade reports, trade cancellations, and trade corrections.
	Introduce new Prior Day As-Of Trade message to allow reporting a trade that occurred prior to the current business day or to cancel an erroneously reported trade from a previous day.
April	Facilitated a request from NSX for input connectivity.
June	Facilitated a request from NSX for input connectivity.
July	Implemented changes to allow Cash Settlement (C), Next Day (N), and Seller Sale Days Settlement (R) sale conditions for trade reports that are not exempt from the trade-through rule.
August	Facilitated a request from ISE for input connectivity.
September	Support for new Price Variation (H) and Cross (X) trade modifiers.
	Dissemination of the bid tick indicator is now inhibited.
December	Enhancement to Quote Wipeout processing to improve processing times.

ii. Significant Improvements in Latency and Capacity.

The Participants have made numerous investments to improve system speed and capacity, investments that are often overlooked by the industry. The Participants regularly monitor and review the performance of their SIP and make performance statistics available publicly on a quarterly basis. They make investments to upgrade technology, upgrades that enable the SIP to collect and disseminate the data ever more quickly, even as the number of quotes and trades continues to rise. The Participants will make future investments to handle the expected continued rise in message traffic, and at even faster data dissemination speeds.

The information below shows that customers are getting the quote and trade Data Feeds faster, as the latency of consolidated tape quote and trade feeds has improved significantly in recent years. Average quote feed latency declined from over 5 milliseconds at the end of 2009 to 0.520milliseconds in July 2014 and average trade feed latency declined from over 6 milliseconds at the end of 2009 to 0.565milliseconds in July 2014 , as shown below. Latency is measured from the time a message received from a Participant is time-stamped by the system, to the time that processing the message is completed.

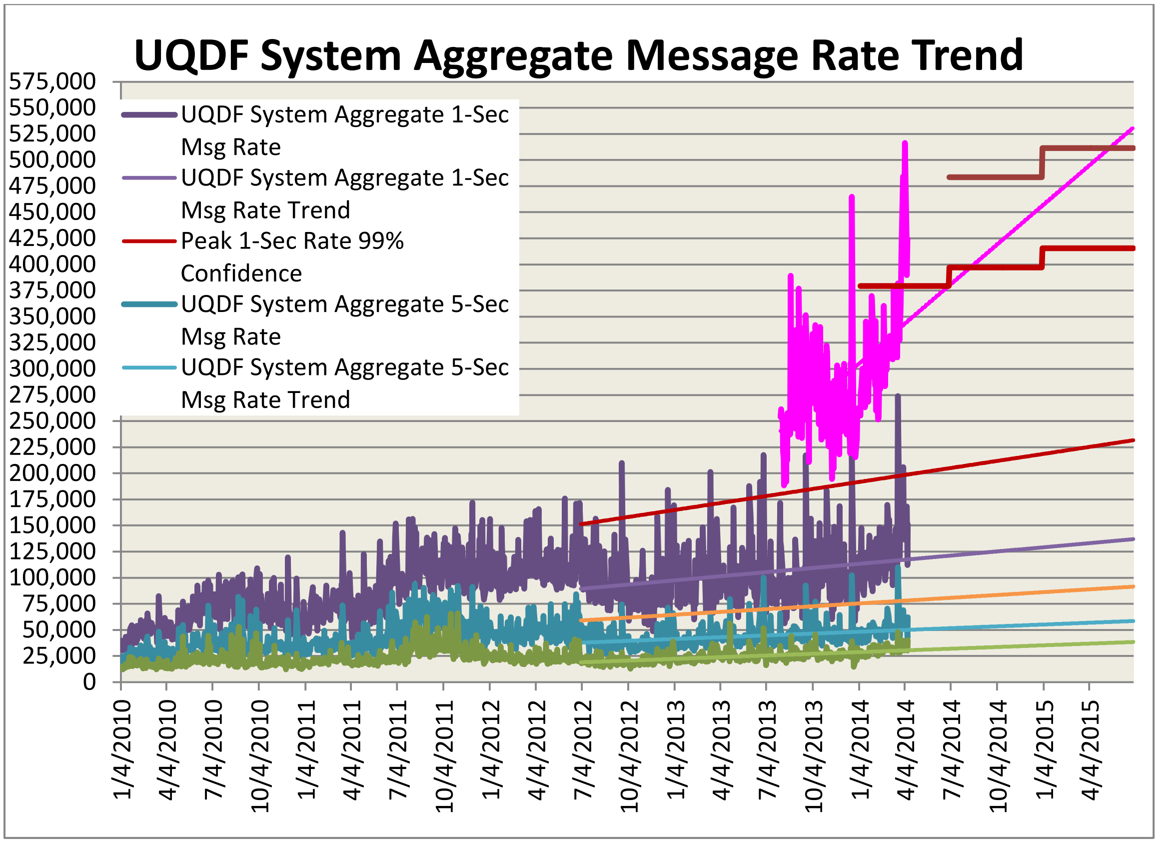
Month	**Average Quote Latency (Milliseconds)**	**Average Trade Latency (Milliseconds)**
Dec 2009	5.2497	6.2685
Dec 2010	4.3267	5.6796
Dec 2011	2.5378	7.8491
Dec 2012	1.6837	1.6328

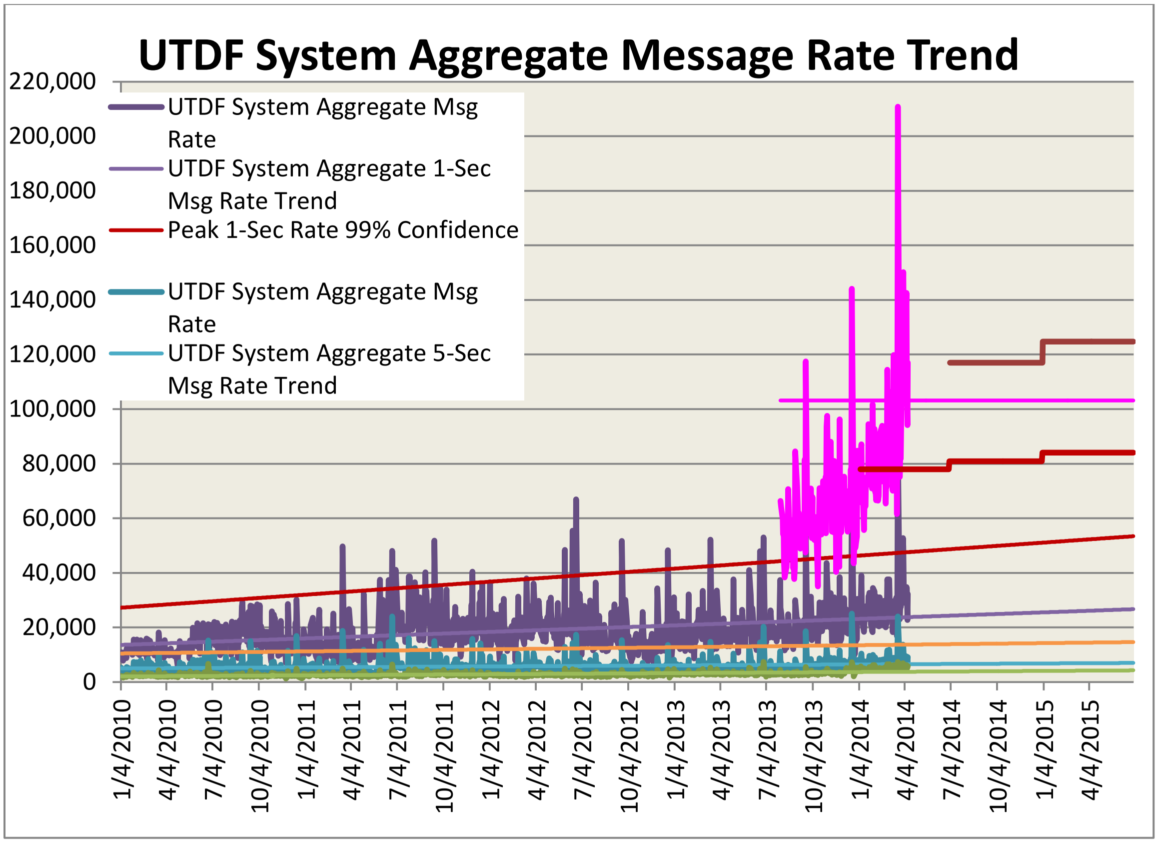
Dec 2013	1.1700	1.2490
Jan 2014	1.129	1.237
Feb 2014	1.282	1.255
Mar 2014	1.160	1.313
Apr 2014	0.894	1.093
May 2014	0.564	0.641
Jun 2014	0.589	0.717
Jul 2014	0.520	0.565

iii. Significant Improvements in System Throughput, Measured by Messages Per Second.

Investments in hardware and software have increased processing power and enabled the systems to handle increasing throughput levels. This is measured by peak capacity messages per second and is monitored by looking at actual peak messages per second. SIP throughput continues to increase in order to push out the increasing amounts of real-time quote and trade data.

Given the constant rise in peak messages, the SIP significantly increased system capacity. As shown below, the system could handle peak quotes per second of approximately 175,000 in 2010 and 707,000 in 2014, an increase of more than 304 percent. The capacity for trades per second increased from 36,000 in 2010 to 393,000 in 2014, an increase of more than 990 percent. To better manage the rise in message traffic, the Participants anticipate that capacity planning will move from measuring messages per second to measuring messages per millisecond.





e. Vendor Fees.

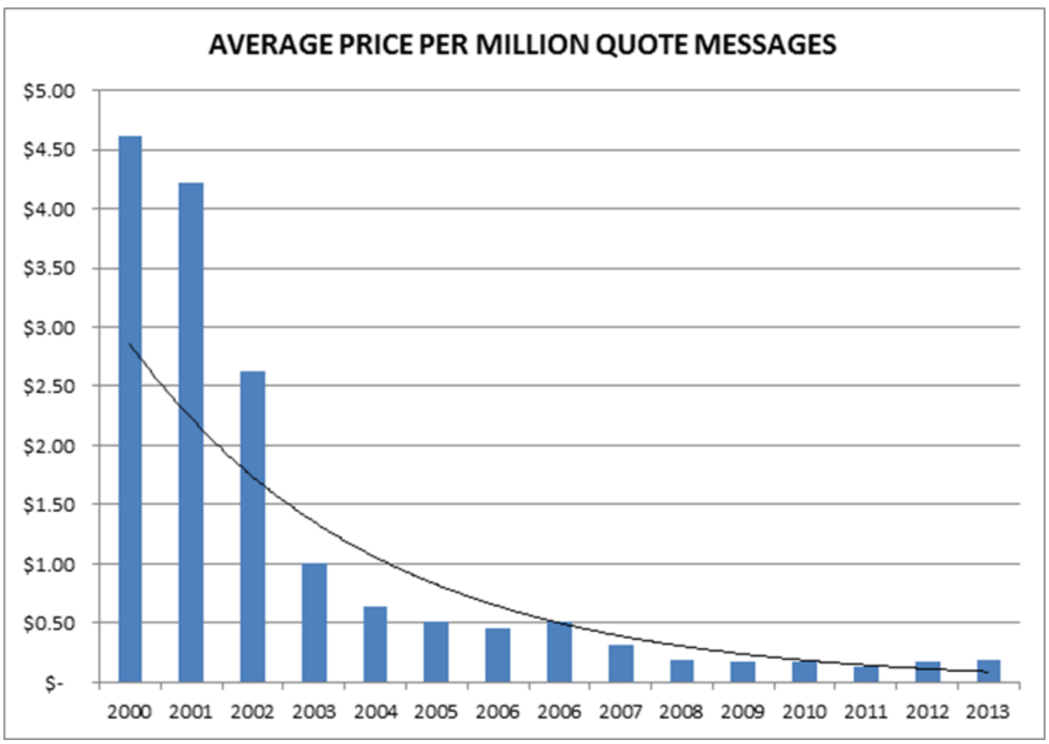
Fees imposed by data vendors, whom the Commission does not regulate, account for a vast majority of the global market data fees incurred by the financial industry, according to Burton Taylor Associates, cited in a research study by Atradia.[12] In addition to charging monthly subscription fees for end-users, market data vendors may apply significant administration mark-up fees on top of exchange market data fees. These mark-ups are not regulated and there is limited transparency into how the rates are applied. These mark-ups do not result in any additional revenues for the Participants; the vendors alone profit from them.

f. Declining Unit Purchase Costs for Customers.

12 Atradia, The Cost of Access to Real Time Pre and Post Trade Order Book Data in Europe, August 2010 (available at www.siia.net).

Despite consolidated tape investments in new data fields, additional capacity demands and latency improvements, users' unit purchase costs for trade and quote data have declined significantly, increasing the value of the data they receive from their subscriptions. The amount of quote and trade data messages has increased significantly while fees have remained unchanged, as shown below for the 2000 to 2013 timeframe.

The average purchase cost of Plan quotes has steadily declined since 2000. During that period, the average number of quotes per day increased over 2,500 percent between 2000 and mid-2014, rising from 4.3 million in 2000 to 112 million in 2014. As a result, the average unit purchase cost per one million quote messages for a customer incurring a monthly Professional Subscriber fee of $20 in 2000 or $23 in 2014 declined over 95 percent during this period, falling from $4.61 in 2000 to $0.20 in 2014.



The average cost of last sale transaction reports also declined over that period. For instance, in 1998, the Plan Processor received reports for 155 million trades. By 2014, those numbers had increased to over 11 million per day or over 2.2 billion trades. At the same time, Professional Subscriber fees remained fairly constant and the introduction of a Nonprofessional Subscriber fee and an enterprise maximum reduced fees dramatically for whole categories of users and expanded data distribution to thousands of other users.

Of course, these calculations exclude entirely the high indirect costs of producing consolidated data represented by the costs of each exchange collecting and contributing data to create the consolidated feeds. With respect to indirect costs, the Commission has previously noted that "any attempt to calculate the precise cost of market information presents severe practical difficulties."[13] In commenting on the 1999 Concept Release, NYSE summarized many of the "severe practical difficulties" attendant to each Participant's calculation of its data production and collection costs and we incorporate that discussion here.[14] In 1997, the indirect costs of the Participants would have included the data production and collection costs of eight national securities exchanges and one national securities association. In 2014, that calculation would have to include the data production and collection costs of the 15 Participants, including 14 national securities exchanges and the Alternative Display Facility and two Trade Reporting Facilities that FINRA, the lone national securities association, maintains.

In addition to those indirect costs, the costs of administering market data distribution under the Plan have increased dramatically, as the administrator has rolled out new and enhanced

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13 See SEC 1999 Concept Release on "Regulation of Market Information Fees and Revenues" (the "1999 Concept Release") located at http://www.sec.gov/rules/concept/34-42208.htm.

14 See footnote 11 of letter from James E. Buck, Senior Vice President and Secretary, NYSE, April 10, 2000, located at http://www.sec.gov/rules/concept/s72899/buck1.htm.

tracking, data management, and invoice management systems to accommodate vendors and the industry and has enhanced its compliance-review capabilities.

4. Adequate constraints on fees.

Constituent boards, customer control and regulatory mechanisms constrain fees for core market data now just as they have since Congress established the fair-and-reasonable standard in 1975. Under the Plan, NASDAQ, the listing market, typically takes the lead on pricing and administrative proposals, vetting new proposals with the other Participants, various Data Feed and end-users, and trade and industry groups, and making modifications which improve or reevaluate the original concept. Proposals are then taken to each Participant for approval. However, significant market data user and regulatory requirements constrain the Participant's ability to simply impose fee changes, as demonstrated by the failed attempts earlier this year.

The governing body of each Participant consists of representatives of constituent firms and a large quotient of independent directors. The Participants' constituent board members have the ultimate say on whether the UTP Plan Operating Committee should submit fee proposals to the Commission and whether the costs of operating the markets and the costs of the market data function are fairly allocated among market data users. That is, the users of market data and non-industry representatives who sit on Participant boards get to determine whether to support market data fee proposals. They also get to determine how the various types of data users should pay their fair share and they make decisions about funding technical infrastructure investments needed to receive, process and safe-store the orders, quotations and trade reports that give rise to the data. This cost allocation by consensus is buttressed by Commission review and is superior to cost-based rate-making.

Indeed, in recent decades, Congress and federal agencies, including the Commission, have increasingly moved away from intrusive, cost-based ratemaking in favor of more market-oriented approaches to pricing. For example, it was the intent of Congress in creating the national market system to rely on competitive forces, where possible, to set the price of market information.[15] Consistent with this intent, an Advisory Committee appointed by the Commission in 2001 to review market data issues concluded that "the 'public utility' cost-based ratemaking approach is resource-intensive, involves arbitrary judgments on appropriate costs, and creates distortive economic incentives."[16] In response, and consistent with the purposes of the Exchange Act, the Commission has increasingly permitted competitive forces to determine the prices of market data fees.[17] This conclusion mirrors the experience of other federal agencies that have come to reject cost-of-service ratemaking as a cumbersome and impractical process that stifled, rather than fostered, competition and innovation.[18]

Market forces are plainly adequate to constrain the prices for market data proposed herein by the Plan and its Participants. Constituent Board members are the Participants' market data customers. When a critical mass of them voices a point of view, they can direct the Participants how to act. This is part of what motivated the Participants to propose the 2015 Fee Changes.

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15 See Conference Report, H.R. Rep. No. 94-229, 94th Cong., 1st Sess. 92 (1975), at 92 ("It is the intent of the conferees that the national market system evolve through the interplay of competitive forces as unnecessary regulatory restrictions are removed.").

16 Report of the Advisory Committee on Market Information: A Blueprint for Responsible Change, at § VII.D.3 (SEC Sept. 14, 2001); see also Stephen G. Breyer, Analyzing Regulatory Failure: Mismatches, Less Restrictive Alternatives, and Reforms, 92 Harv. L. Rev. 547, 565 (1979) ("[I]nsofar as one advocates price regulation . . . as a 'cure' for market failure, one must believe the market is working very badly before advocating regulation as a cure. Given the inability of regulation to reproduce the competitive market's price signals, only severe market failure would make the regulatory game worth the candle.").

17 See generally NetCoalition v. SEC, 615 F.3d 525, 533-35 (D.C. Cir. 2010).

18 See, e.g., Elizabethtown Gas Co. v. FERC, 10 F.3d 866, 870 (D.C. Cir. 1993).

The Commission's process, including public comment as appropriate and when permitted by the statutory language, then acts as an additional constraint on pricing. Also, developments in technology make possible another important constraint on market data prices for core data: There is nothing to prevent one or more vendors, broker-dealers or other entities from gathering prices and quotes across all Participants and creating a consolidated data stream that would compete with the Plans' data streams. The technology to consolidate multiple, disparate data streams is readily available, and multiple markets have already introduced products that compete with core data.

K. Method and Frequency of Processor Evaluation

No Change.

L. Dispute Resolution

No Change.

II. Rule 601(a)

A. Equity Securities for which Transaction Reports Shall be Required by the Plan

No Change.

B. Reporting Requirements

No Change.

C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

No Change.

D. Manner of Consolidation

No Change.

E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

No Change.

F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

No Change.

G. Terms of Access to Transaction Reports

See Item I(A).

H. Identification of Marketplace of Execution

No Change.

III. Solicitation of Comments

The Commission seeks general comments on Amendment No. 32. Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number S7-24-89 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-24-89. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the

Commission's website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all written statements with respect to the proposed Plan Amendment that are filed with the Commission, and all written communications relating to the proposed Plan Amendment between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the Amendments also will be available for inspection and copying at the principal office of NASDAQ. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number S7-24-89 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Kevin M. O'Neill
Deputy Secretary

[19] 17 CFR 200.30-3(a)(27).