

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-83221; File No. SR-NYSE-2018-20)

May 11, 2018

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Provide Users with Connectivity to Three Additional Third Party Data Feeds and Change its Price List Related to these Co-location Services

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on April 30, 2018, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to provide Users with connectivity to three additional third party data feeds and change its Price List related to these co-location services. Additionally, the Exchange proposes to make non-substantive corrections to the Price List. The proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the co-location⁴ services offered by the Exchange to provide Users⁵ with connectivity to three additional third party data feeds and change its Price List related to these co-location services. Additionally, the Exchange proposes to make non-substantive corrections to the Price List.

Third Party Data Feeds

The Exchange charges fees for connectivity to data feeds from third party markets and other content service providers (“Third Party Data Feeds”).⁶ The list of the Third Party Data Feeds and related connectivity fees is set forth in the Price List. The Exchange proposes to add

⁴ The Exchange initially filed rule changes relating to its co-location services with the Commission in 2010. See Securities Exchange Act Release No. 62960 (September 21, 2010), 75 FR 59310 (September 27, 2010) (SR-NYSE-2010-56). The Exchange operates a data center in Mahwah, New Jersey (the “data center”) from which it provides co-location services to Users.

⁵ For purposes of the Exchange’s co-location services, a “User” means any market participant that requests to receive co-location services directly from the Exchange. See Securities Exchange Act Release No. 76008 (September 29, 2015), 80 FR 60190 (October 5, 2015) (SR-NYSE-2015-40). As specified in the Price List, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange’s affiliates NYSE American LLC (“NYSE American”) and NYSE Arca, Inc. (“NYSE Arca” and, together with NYSE American, the “Affiliate SROs”). See Securities Exchange Act Release No. 70206 (August 15, 2013), 78 FR 51765 (August 21, 2013) (SR-NYSE-2013-59).

⁶ See Securities Exchange Act Release No. 80311 (March 24, 2017), 82 FR 15741 (March 30, 2017) (SR-NYSE-2016-45).

three ICE Data Services Consolidated Feed Shared Farm feeds (the “Additional Third Party Data Feeds”) to the list of Third Party Data Feeds.

The Additional Third Party Data Feeds are produced by an entity owned by the Exchange's ultimate parent, Intercontinental Exchange, Inc. (“ICE”), and so the Exchange has an indirect interest in the Additional Third Party Data Feeds. The Additional Third Party Data Feeds include data drawn from the Exchange, the Affiliate SROs, and third party exchanges, including stock and futures exchanges. Because it includes third party data, the Additional Third Party Data Feeds are considered Third Party Data Feeds.⁷

The list of available Third Party Data Feeds presently includes three ICE Data Services Consolidated Feeds.⁸ The Additional Third Party Data Feeds are similar to the previously filed ICE Data Services Consolidated Feeds in terms of the underlying content, which, according to the content service provider, includes normalized, real-time and intraday data feeds from over 600 sources. The difference between them lies with what data a User actually receives.

More specifically, when a User requests connectivity to one of the previously filed ICE Data Services Consolidated Feeds, it receives connectivity to all the data in the relevant ICE Data Services Consolidated Feeds. The User uses its processor to narrow down the feed to the specific data it wants. In contrast, when a User requests connectivity to an Additional Third Party Data Feed, it will specify to the content service provider what specific information, out of the data from the roughly 600 sources, it wants to receive. The content service provider will use its own processor to narrow down the data feeds, so that the User will only receive the information it requests. A User may choose whether it wants connectivity to one of the previously filed ICE Data Services Consolidated Feeds or to one of the Additional Third Party Data Feeds based on

⁷ Id., at 15749.

⁸ Id.

whether it wants to process the data, and what level of control it wants over the processing. In both cases, the User will only receive data the relevant third party data provider authorizes it to receive.

As it does with the existing Third Party Data Feeds, the Exchange proposes to charge a monthly recurring fee for connectivity to each Additional Third Party Data Feed. The monthly recurring fee would vary by the bandwidth of the connection. Accordingly, the Exchange proposes to revise the Price List to provide that Users may obtain connectivity to the Additional Third Party Data Feeds for a monthly fee, as follows:

Third Party Data Feed	Monthly Recurring Connectivity Fee per Third Party Data Feed
ICE Data Services Consolidated Feed Shared Farm $\leq 100\text{Mb}$	\$200
ICE Data Services Consolidated Feed Shared Farm $> 100\text{ Mb to } \leq 1\text{ Gb}$	\$500
ICE Data Services Consolidated Feed Shared Farm $>1\text{ Gb}$	\$1,000

Depending on its needs and bandwidth, a User may opt to receive all or some of the feeds or services included in the Additional Third Party Data Feeds.

The Exchange would provide connectivity to the Additional Third Party Data Feeds (“Connectivity”) as a convenience to Users. Use of Connectivity would be completely voluntary. The Exchange is not aware of any impediment to third parties offering Connectivity.

The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the Secure Financial Transaction Infrastructure (“SFTI”) network, a third party telecommunication network, third

party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The Exchange would receive the Additional Third Party Data Feeds from the content service provider, at its data center. It would then provide connectivity to that data to Users for a fee. Users would connect to the Additional Third Party Data Feeds over the internet protocol (“IP”) network, a local area network available in the data center.

In order to connect to an Additional Third Party Data Feed, a User would enter into a contract with the content service provider, pursuant to which the content service provider would charge the User for the Third Party Data Feed. The Exchange would receive the Additional Third Party Data Feed over its fiber optic network and, after the content service provider and User entered into the contract and the Exchange received authorization from the content service provider, the Exchange would re-transmit the data to the User over the User’s port. The Exchange would charge the User for the connectivity to the Additional Third Party Data Feed. A User would only receive, and would only be charged for, connectivity to the Additional Third Party Data Feed for which it entered into contracts.

The Exchange would have no right to use an Additional Third Party Data Feed other than as a redistributor of the data. The Additional Third Party Data Feeds would not provide access or order entry to the Exchange’s execution system. The Additional Third Party Data Feeds would not provide access or order entry to the execution systems of the party generating the feed. The Exchange would receive the Additional Third Party Data Feeds via arms-length agreements and it would have no inherent advantage over any other distributor of such data.

Additional Changes

The Exchange proposes to make additional, non-substantive changes to add definitions, correct a typographical error, remove obsolete text and update third party exchange names (collectively, the “Non-Substantive Changes”). The proposed additional changes would have no effect on pricing.

General Note 1

General Note 1 in the Price List references the Affiliate SROs. The Exchange proposes to add short-hand definitions of each of the Affiliate SROs, which terms are used later in the Price List. The revised references would be to “NYSE American LLC (NYSE American) and NYSE Arca, Inc. (NYSE Arca).”

Cabinet Upgrade Fee

The Exchange offers Users the option of a “Cabinet Upgrade” and related fee, pursuant to which the Exchange accommodates requests for additional power allocation beyond the typical amount that the Exchange allocates per dedicated cabinet, at which point the Exchange must upgrade the cabinet's power capacity.⁹ The Cabinet Upgrade Fee in the Price List has a parenthetical setting forth lower fees for a User that submits a written order for a Cabinet Upgrade by January 31, 2014, provided that the Cabinet Upgrade becomes fully operational by March 31, 2014. For the avoidance of confusion, the Exchange proposes to put the text in the past tense. Accordingly, the parenthetical would read as follows: “(\$4,600 for a User that

⁹ See Securities Exchange Act Release No. 71122 (December 18, 2013), 78 FR 77739 (December 24, 2013) (SR-NYSE-2013-81). Users may develop their hardware infrastructure within a particular cabinet in such a way that, if expansion of such hardware is needed, it can be accomplished within the space constraints of that particular cabinet. If this type of User requires additional power allocation, it would likely want to modify its existing cabinet in this manner, rather than taking an additional dedicated cabinet due to the expense of re-developing its infrastructure within such additional dedicated cabinet. See id.

submitted a written order for a Cabinet Upgrade by January 31, 2014, provided that the Cabinet Upgrade became fully operational by March 31, 2014)”.

Hosting Fees

A User may provide hosting services to its customers in the User’s co-location space at the data center. As stated in the Price List, “Hosting User” means a User that hosts a Hosted Customer in the User's co-location space, and “Hosted Customer” means a customer of a Hosting User that is hosted in a Hosting User's co-location space.¹⁰

In 2011, the Exchange filed a “Hosting Fee” applicable to Hosting Users.¹¹ In 2015, the Exchange modified such Hosting Fee to provide that, effective January 1, 2016, “the Hosting Fee would be assessed to a Hosting User on a per Hosted Customer basis and for each cabinet in which the Hosting User hosts the Hosted Customer.”¹²

The Affiliate SROs submitted substantially the same proposed rule change.¹³ However, the Exchange’s rule filing included a typographical error in the proposed text in its Exhibit 5. Specifically, although the descriptions of the fees in the description of the fee change were identical in all three filings, unlike the filings submitted by the Affiliate SROs, the Exchange’s filing omitted “per cabinet” in the proposed text in its Exhibit 5.¹⁴ The Exchange proposes to

¹⁰ See 80 FR 60190, *supra* note 5, at 60191.

¹¹ See Securities Exchange Act Release No. 65973 (December 15, 2011), 76 FR 79232 (December 21, 2011) (SR-NYSE-2011-53).

¹² See 80 FR 60190, *supra* note 5, at 60191.

¹³ See *id.*, at note 11, and Securities Exchange Act Release Nos. 76009 (September 29, 2015), 80 FR 60213 (October 5, 2015) (SR-NYSEMKT-2015-67); and 76010 (September 29, 2015), 80 FR 60197 (October 5, 2015) (SR-NYSEArca-2015-82).

¹⁴ Compare File No. SR-NYSE-2015-40 (September 18, 2015) (initial filing), at 27, available at <https://www.nyse.com/publicdocs/nyse/markets/nyse/rule-filings/filings/2015/NYSE-2015-40.pdf>; File No. SR-NYSEMKT-2015-67 (September 18, 2015) (initial filing), at 27-28, available at <https://www.nyse.com/publicdocs/nyse/markets/nyse-american/rule->

correct the error by amending the text for the Hosting Fee under “Amount of Charge” to add “per cabinet.”

In addition, as noted above, the change in the Hosting Fee was effective January 1, 2016. That date has passed, but the Price List continues to include both the Hosting Fee that was in effect through December 31, 2015 and the date of the change. The Exchange proposes to delete the obsolete references to these dates and the amount of the previous hosting fee.

The amended text would be as follows (additional text underscored, deletions in strikethrough):

Hosting Fee		Effective through December 31, 2015: \$500 monthly charge per Hosted Customer Effective from January 1, 2016: <u>\$1,000 monthly charge per cabinet</u> per Hosted Customer for each cabinet in which such Hosted Customer is hosted
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Obsolete Availability Dates and Exchange References

Certain services in the data center that are described in the Price List identify dates by which they were expected to be available. These dates have passed. Accordingly, the Exchange proposes to eliminate the obsolete references to these dates. In addition, the Exchange proposes to update the references to certain exchanges that have changed their names.¹⁵

filings/filings/2015/NYSEMKT-2015-67.pdf; and File No. SR–NYSEArca–2015–82 (September 18, 2015) (initial filing), at 28 and 29, available at <https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/rule-filings/filings/2015/NYSEArca-2015-82.pdf>.

¹⁵ See Securities Exchange Act Release No. 81962 (October 26, 2017), 82 FR 50711, 50713 (November 1, 2017) (SR-BatsBZX-2017-70).

To that end, the Exchange proposes to make the following changes:

- For the wireless connection of Bats Pitch BZX Gig shaped data and Bats Pitch BYX Gig shaped data, the description would be revised as follows: (a) the text would read “Wireless connection of Cboe Pitch BZX Gig shaped data and Cboe Pitch BYX Gig shaped data”; and (b) the text “Note: Connection to Bats Pitch BYX Gig shaped data is expected to be available no later than December 31, 2016.” would be deleted.
- For the wireless connection of Bats EDGX Gig shaped data and Bats EDGA Gig shaped data, the description would be revised as follows: (a) the text would read “Wireless connection of Cboe EDGX Gig shaped data and Cboe EDGA Gig shaped data”; and (b) the text “Note: Connection to Bats EDGA Gig shaped data is expected to be available no later than December 31, 2016.” would be deleted.
- For the wireless connection of Toronto Stock Exchange (TSX), the text “Note: Service is expected to be available no later than June 30, 2017.” would be deleted.
- In the table under “Third Party Data Feeds,” “Bats BZX Exchange (BZX) and Bats BYX Exchange (BYX)” and “Bats EDGX Exchange (EDGX) and Bats EDGA Exchange (EDGA)” and their related monthly recurring connectivity fees would be deleted, and lines for “Cboe BZX Exchange (CboeBZX) and Cboe BYX Exchange (CboeBYX)” and “Cboe EDGX Exchange (CboeEDGX) and Cboe EDGA Exchange (CboeEDGA)” added with their related monthly recurring connectivity fees, which would remain unchanged, as follows (additional text underscored, deletions in strikethrough):

Third Party Data Feed	Monthly Recurring
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	Connectivity Fee per Third Party Data Feed
<u>Bats BZX Exchange (BZX) and Bats BYX Exchange (BYX)</u>	\$2,000
<u>Bats EDGX Exchange (EDGX) and Bats EDGA Exchange (EDGA)</u>	\$2,000
<u>Boston Options Exchange (BOX)</u>	\$1,000
<u>Cboe BZX Exchange (CboeBZX) and Cboe BYX Exchange (CboeBYX)</u>	\$2,000
<u>Cboe EDGX Exchange (CboeEDGX) and Cboe EDGA Exchange (CboeEDGA)</u>	\$2,000

General

As is the case with all Exchange co-location arrangements, (i) neither a User nor any of the User's customers would be permitted to submit orders directly to the Exchange unless such User or customer is a member organization, a Sponsored Participant or an agent thereof (e.g., a service bureau providing order entry services); (ii) use of the co-location services proposed herein would be completely voluntary and available to all Users on a non-discriminatory basis;¹⁶ and (iii) a User would only incur one charge for the particular co-location service described herein, regardless of whether the User connects only to the Exchange or to the Exchange and one or both the Affiliate SROs.¹⁷

¹⁶ As is currently the case, Users that receive co-location services from the Exchange will not receive any means of access to the Exchange's trading and execution systems that is separate from, or superior to, that of other Users. In this regard, all orders sent to the Exchange enter the Exchange's trading and execution systems through the same order gateway, regardless of whether the sender is co-located in the data center or not. In addition, co-located Users do not receive any market data or data service product that is not available to all Users, although Users that receive co-location services normally would expect reduced latencies in sending orders to, and receiving market data from, the Exchange.

¹⁷ See 78 FR 51765, *supra* note 5, at 51766. The Affiliate SROs have also submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSEAMER-2018-19 and SR-NYSEArca-2018-28.

The proposed change is not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that Users would have in complying with the proposed change.

2. Statutory Basis

The Exchange believes that the proposed fee change is consistent with Section 6(b) of the Act,¹⁸ in general, and furthers the objectives of Sections 6(b)(5) of the Act,¹⁹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because, by offering additional connectivity to the Additional Third Party Data Feeds, the Exchange would give each User additional options for addressing its connectivity needs, responding to User demand for connectivity options. Providing the connectivity to the Additional Third Party Data Feeds would help each User tailor its data center operations to the requirements of its business operations by allowing it to select the form and latency of connectivity that best suits its needs.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(5).

The Exchange would provide Connectivity as a convenience to Users. Use of Connectivity would be completely voluntary. The Exchange is not aware of any impediment to third parties offering Connectivity. The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The Exchange believes that the proposed changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because, by offering connectivity to the Additional Third Party Data Feed to Users, the Exchange would give Users additional options for connectivity to new services, responding to User demand for connectivity options.

The Exchange believes that the proposed Non-Substantive Changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because the changes would clarify Exchange rules and alleviate any possible market participant confusion caused by the disparity of the description of the Hosting Fee between the Price List and the price lists and fee schedules of the Affiliate SROs or by the obsolete dates and exchange names.

The Exchange also believes that the proposed fee change is consistent with Section

6(b)(4) of the Act,²⁰ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed fee changes are consistent with Section 6(b)(4) of the Act for multiple reasons. The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location. Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange.

The Exchange believes that the additional services and fees proposed herein would be equitably allocated and not unfairly discriminatory because, in addition to the services being completely voluntary, they would be available to all Users on an equal basis (i.e., the same products and services would be available to all Users). All Users that voluntarily selected to receive Connectivity would be charged the same amount for the same services. Users that opted

²⁰ 15 U.S.C. 78f(b)(4).

to use Connectivity would not receive connectivity that is not available to all Users, as all market participants that contracted with the relevant content provider would receive connectivity.

The Exchange believes that the proposed charges would be reasonable, equitably allocated and not unfairly discriminatory because the Exchange would offer the Connectivity as conveniences to Users, but in order to do so must provide, maintain and operate the data center facility hardware and technology infrastructure. The Exchange must handle the installation, 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 resilient and redundant feeds. In addition, in order to provide Connectivity, the Exchange would maintain multiple connections to each Additional Third Party Data Feed, allowing the Exchange to provide resilient and redundant connections; adapt to any changes made by the relevant third party; and cover any applicable fees charged by the relevant third party, such as port fees. In addition, Users would not be required to use any of their bandwidth for Connectivity unless they wish to do so.

The Exchange believes the proposed fee for connectivity to each Additional Third Party Data Feed is reasonable because the proposed monthly recurring fee varies by the bandwidth of the connection, and so is generally proportional to the bandwidth required. In addition, the proposed fees are consistent with the fees for connectivity to the previously filed ICE Data Services Consolidated Feeds, which feeds are similar to the Additional Third Party Data Feeds in terms of the underlying content. The Exchange notes that the proposed monthly recurring fees

are also generally consistent with the monthly recurring fees for connectivity to the SR Labs-SuperFeed Third Party Data Feeds, which also vary by bandwidth. The Exchange believes that the proposed difference in pricing between the Additional Third Party Data Feeds and SR Labs-SuperFeed options is reasonable, equitably allocated and not unfairly discriminatory because, although the bandwidth may be similar, the competitive considerations and the costs the Exchange incurs in providing such connections may differ.

The Exchange believes the proposed fees for Connectivity would be reasonable because they would allow the Exchange to defray or cover the costs associated with offering Users connectivity to Additional Third Party Data Feeds while providing Users the convenience of receiving such Connectivity within co-location, helping them tailor their data center operations to the requirements of their business operations.

The Exchange believes that the proposed Non-Substantive Changes would be reasonable because the changes would have no impact on pricing. Rather, the changes would remove obsolete text and update references, thereby clarifying the Exchange rules and alleviating possible market participant confusion.

For the reasons above, the proposed changes would not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms and conditions established from time to time by the Exchange.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,²¹ the Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in

²¹ 15 U.S.C. 78f(b)(8).

furtherance of the purposes of the Act because all of the proposed services are completely voluntary.

The Exchange believes that providing Users with additional options for connectivity to new services would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because such proposed Connectivity would satisfy User demand for connectivity options. The Exchange would provide Connectivity as a convenience equally to all Users. All Users that voluntarily selected to receive Connectivity would be charged the same amount for the same services.

The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor. Users that opt to use the proposed Connectivity would not receive connectivity that is not available to all Users, as all market participants that contract with the content provider may receive connectivity. In this way, the proposed changes would enhance competition by helping Users tailor their Connectivity to the needs of their business operations by allowing them to select the form and latency of connectivity that best suits their needs.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market

participants who believe that co-location enhances the efficiency of their operations.

Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location.

Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

Finally, the Exchange believes that the proposed Non-Substantive Changes would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes are not designed to address any competitive issue but rather to remove obsolete text and update references, thereby clarifying Exchange rules and alleviating any possible market participant confusion caused by the disparity of the description between the Price List and the price lists and fee schedules of the Affiliate SROs, or by the obsolete dates and exchange names.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²² and Rule 19b-4(f)(6) thereunder.²³ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²⁴ and Rule 19b-4(f)(6) thereunder.²⁵

A proposed rule change filed under Rule 19b-4(f)(6)²⁶ normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),²⁷ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange stated its belief that immediate implementation of the proposed rule changes would allow Users to have the benefit of connectivity to the Additional Third Party Data Feed without delay. In so doing, the immediate implementation would help Users tailor their data center operations to the requirements of their business operations without delay. In addition, the

²² 15 U.S.C. 78s(b)(3)(A)(iii).

²³ 17 CFR 240.19b-4(f)(6).

²⁴ 15 U.S.C. 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁶ 17 CFR 240.19b-4(f)(6).

²⁷ 17 CFR 240.19b-4(f)(6)(iii).

Exchange stated that the proposed changes to the Price List would provide Users with more complete information regarding their Connectivity options and the availability of products and services.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow Users to have the benefit of Additional Third Party Feed sooner and will allow User additional flexibility in tailoring their data center operations. For this reason, the Commission designates the proposed rule change to be operative upon filing.²⁸

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change 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

²⁸ For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2018-20 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-NYSE-2018-20. 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 Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change.

Persons submitting comments are cautioned that we do not redact or edit personal identifying

information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-20 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.²⁹

Eduardo A. Aleman
Assistant Secretary

²⁹ 17 CFR 200.30-3(a)(12) and (59).