

**SUPPORTING STATEMENT for the Paperwork Reduction Act Information Collection
Submission for the Market Data Infrastructure**

New Information Collection Request

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 *et seq.*

A. JUSTIFICATION

1. Necessity of Information Collection

The national market system for the collection, consolidation, and dissemination of information with respect to quotations for and transactions in national market system (“NMS”) stocks (“NMS information”) has been an essential element in the success of the U.S. securities markets. Congress recognized the importance of market information to the U.S. securities markets with the enactment of Section 11A of the Securities Exchange Act of 1934 (“Exchange Act”).

Section 11A(a)(2) of the Exchange Act¹ directs the Commission, having due regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets, to use its authority under the Exchange Act to facilitate the establishment of a national market system for securities in accordance with the Congressional findings and objectives set forth in Section 11A(a)(1) of the Exchange Act.² Among the findings and objectives in Section 11A(a)(1) are that “[n]ew data processing and communications techniques create the opportunity for more efficient and effective market operations”³ and “[i]t is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure . . . the availability to brokers, dealers and investors of information with respect to quotations for and transactions in securities . . . ”⁴

The Commission has proposed to update and modernize the national market system for the collection, consolidation, and dissemination of NMS information.⁵ The proposal contains two key elements. First, the Commission has proposed to update the content of NMS information that is required to be collected, consolidated and disseminated as part of the national market system under Regulation NMS. Second, the Commission has proposed to amend the method by which “consolidated market data,” as proposed to be defined, is collected,

¹ 15 U.S.C. 78k-1(a)(2).

² 15 U.S.C. 78k-1(a)(1).

³ 15 U.S.C. 78k-1(a)(1)(B).

⁴ 15 U.S.C. 78k-1(a)(1)(C).

⁵ See Securities Exchange Act Release No. 34-88216 (February 14, 2020), 85 FR 16726 (Mar. 24, 2020) (File No. S7-03-20) (“Proposing Release”).

consolidated and disseminated by introducing a decentralized consolidation model with competing consolidators, which would replace the existing centralized consolidation model that relies on exclusive securities information processors (“exclusive SIPs”).⁶

Today, NMS information is disseminated via a centralized consolidation model, whereby the self-regulatory organizations (“SROs”) provide certain NMS information for each NMS stock to an exclusive SIP. The exclusive SIP then consolidates this NMS information and makes it available to market participants.⁷ Market participants also may independently consolidate NMS information by purchasing individual exchange proprietary market data products and consolidating that information for their own use, or obtain NMS information that has been consolidated by a vendor that provides a data aggregation service.

The Commission has proposed to amend Regulation NMS to better achieve the goal of assuring “the availability to brokers, dealers and investors of information with respect to quotations for and transactions in securities”⁸ that is prompt, accurate, reliable, and fair.⁹ The

⁶ An “exclusive processor” is defined in Section 3(a)(22)(B) of the Exchange Act as “any [SIP] or [SRO] which, directly or indirectly, engages on an exclusive basis on behalf of any national securities exchange or registered securities association, or any national securities exchange or registered securities association which engages on an exclusive basis on its own behalf, in collecting, processing, or preparing for distribution or publication any information with respect to (i) transactions or quotations on or effected or made by means of any facility of such exchange or (ii) quotations distributed or published by means of any electronic system operated or controlled by such association.” A securities information processor is defined in Section 3(a)(22) of the Exchange Act as “any person engaged in the business of (i) collecting, processing, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in or quotations for any security (other than an exempted security) or (ii) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis, information with respect to such transactions or quotations.”

⁷ See Rule 603(b) of Regulation NMS. Rule 603(b) provides that all information for an individual NMS stock must be disseminated through a single plan processor. 17 CFR 242.603(b). See Rule 600(b)(59), which defines a plan processor as “any self-regulatory organization or securities information processor acting as an exclusive processor in connection with the development, implementation and/or operation of any facility contemplated by an effective national market system plan.” 17 CFR 242.600(b)(59).

⁸ Section 11A(a)(1)(C)(iii), 15 U.S.C. 78k-1(a)(1)(C)(iii).

⁹ Section 11A(c)(1)(B), 15 U.S.C. 78k-1(c)(1)(B). Section 11A(c)(1)(B) provides the Commission with the authority to prescribe rules and regulations as necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of the Exchange Act to “assure the prompt, accurate, reliable, and fair collection, processing, distribution, and publication of information with respect to quotations for and transactions in such securities and the fairness and usefulness of the form and content of such information.”

Commission preliminarily believes that the proposal would promote fair and efficient markets, facilitate the best execution of investor orders, and reduce information asymmetries between market participants who currently rely on market data provided through the exclusive SIPs and those who purchase the proprietary market data products offered by the national securities exchanges.

The proposed amendments establishes seven new collections of information.

1. Registration requirements and Form CC. Proposed Rule 614(a)(1)(i) would require each competing consolidator to register with the Commission by filing Form CC electronically in accordance with the instructions contained on the form. Competing consolidators would be required to file amendments to the form in accordance with the rule and file notice of its cessation of operations.
2. Competing consolidator duties and data collection. Proposed Rule 614(d)(1)-(4) would require competing consolidators to (i) collect from each SRO the information with respect to quotations for and transactions in NMS stocks as provided in proposed Rule 603(b); (ii) calculate and generate proposed consolidated market data; (iii) make proposed consolidated market data available to subscribers with the required timestamps; and (iv) timestamp the information collected from the SROs at certain specified times.
3. Competing consolidators' public posting of Form CC. Proposed Rule 614(c) would require competing consolidators to make public on its website a direct URL hyperlink to the Commission website that contains each effective initial Form CC, as amended, order of ineffective initial Form CC, and Form CC amendments to an effective Form CC.
4. Recordkeeping. Proposed Rule 614(d)(7) would require each competing consolidator to keep and preserve at least one copy of all documents as defined in the rule for a period of no less than five years, the first two in an easily accessible place. Proposed Rule 614(d)(8) would require each competing consolidator, upon request of any representative of the Commission, to promptly furnish copies of any documents to such representative.
5. Reports and Reviews. Proposed Rule 614(d)(5) would require competing consolidators to publish on their websites certain monthly performance metrics. Proposed Rule 614(d)(6) would require competing consolidators to publish certain monthly data quality information.
6. Amendment to the effective national market system plan(s) for NMS stocks. Proposed Rule 614(e) would require the participants to the effective national market system plan(s) for NMS stocks to submit an amendment to such plan(s) within 60 days of the effectiveness of the proposal that would contain certain specified provisions.
7. Collection and dissemination of information by national securities exchanges and national securities associations. The proposed amendment to Rule 603(b) would require every national securities exchange on which an NMS stock is traded and the national securities association to make available to all competing consolidators and self-aggregators all information with respect to quotations for and transactions in NMS stocks, including all data necessary to generate proposed

consolidated market data, in the same manner and using the same methods, including all methods of access and using the same format as such exchange or association makes available any information with respect to quotations for and transactions in NMS stocks to any person.

These collections of information are necessary to further the national market system objectives set forth in Section 11A(a)(1) of the Exchange Act. These objectives include the economically efficient execution of orders; fair competition among broker-dealers, among exchange markets, and between exchange markets and markets other than exchange markets; the availability of information with respect to quotations for and transactions in securities; and the practicability of brokers executing investors' orders in the best market. Without the proposed amendments, the national market system for the collection, consolidation, and dissemination of proposed consolidated market data would not be modernized and updated. As discussed in the Proposing Release, the current centralized consolidation model does not contain the data elements that market participants, including investors, need to trade competitively in the markets and is meaningfully slower than the proprietary data provided by the national securities exchanges.

2. Purpose and Use of the Information Collection

The purpose of the information collection is to update and modernize the NMS information that is collected, consolidated, and disseminated under the rules of the national market system and the method by which such information is made available to market participants. The registration requirement under Rule 614(a)(1) and (2) and Form CC would provide information to the Commission and market participants. The Commission would gather information through the proposed Form CC to determine whether to declare ineffective an initial Form CC. The information would also be used by market participants to evaluate competing consolidators. Under proposed Rule 614, competing consolidators would be required to keep certain records, which would facilitate the Commission's oversight of competing consolidators, and publish certain monthly performance statistics, which would provide transparency with respect to the services and performance of competing consolidators. Competing consolidators and self-aggregators would need to collect market data information from the SROs in order to generate proposed consolidated market data. The SROs would need to collect market data information that they would then have to provide to competing consolidators and self-aggregators for the purposes to generating proposed consolidated market data. Finally, the SROs would be required to file an amendment to the effective national market system plan(s) to reflect the new role and functions of the plan(s). The collections of information are necessary to further the national market system objectives set forth in Exchange Act Section 11A(a)(1) and Regulation NMS. These objectives include the economically efficient execution of orders; fair competition among broker-dealers, among exchange markets, and between exchange markets and markets other than exchange markets; the availability of information with respect to quotations for and transactions in securities; and the practicability of brokers executing investors' orders in the best market.

3. Consideration Given to Improved Information Technology

The proposed amendment would use information technology to lessen the burden on the respondents. Form CC would be electronically filed with the Commission and publicly posted on the Commission's and competing consolidators' websites. The proposed amendments would modernize the manner in which consolidated market data, as proposed to be defined, is collected, calculated, and disseminated to market participants by introducing competing consolidators who could compete for subscribers by utilizing the latest information technology for the collection, consolidation and dissemination of proposed consolidated market data. In addition, self-aggregators would be able to use the information technology they choose to support their market data requirements. The Commission preliminarily believes that the proposed amendment would address the issues raised about the latencies that exist with the information technology that is currently used to collect, calculate, and disseminate NMS information.

4. Duplication

The proposed amendment would not result in, or require the collection of, duplicate information that is otherwise available in a similar form. While each SRO publishes its own market data via proprietary data feeds for a fee, the proprietary data feeds do not provide the exact information in a consolidated manner as required in the proposed amendment.

5. Effects on Small Entities

The Commission preliminarily believes that the requirements under the proposed amendment would not affect small entities.¹⁰ The proposed amendment imposes requirements on national securities exchanges and FINRA, and on entities that would act as competing consolidators. With respect to the national securities exchanges, the Commission's definition of a small entity is an exchange that has been exempt from the reporting requirements of Rule 601 of Regulation NMS and that is not affiliated with any person (other than a natural person) that is not a small business or small organization.¹¹ None of the national securities exchanges subject to the proposed amendment fall within this definition. Similarly, FINRA does not qualify as a small entity.¹² The Commission preliminarily believes that no competing consolidators would be small entities.

6. Consequences of Not Conducting Collection

The information required by the proposed amendment would require national securities exchanges and associations to make available to competing consolidators and self-aggregators the information with respect to quotations for and transactions in NMS stocks that is necessary to generate proposed consolidated market data. Further, competing consolidators would have to collect, calculate and generate proposed consolidated market data and make such data available

¹⁰ See Proposing Release, supra note **Error! Bookmark not defined.**, at Part VIII.

¹¹ See 17 CFR 240.0-10(e).

¹² See 13 CFR 121.201.

to market participants. The Commission would receive from competing consolidators information on Form CC, and competing consolidators would be required to maintain records and publish performance data and other information on their websites on a monthly basis.

The Commission preliminarily believes that the proposed amendments would promote fair and efficient markets, facilitate the best execution of investor orders, and reduce information asymmetries between market participants who currently rely on market data provided through the exclusive SIPs and those who purchase the proprietary market data products offered by the national securities exchanges. Without the collection of information, the goals of Section 11A of the Exchange Act and the proposed rule's intended benefits would not be achieved. The SROs would not be required to make available to competing consolidators and self-aggregators quotation and transaction information necessary to generate consolidated market data. Further, this would prevent competing consolidators and self-aggregators from generating consolidated market data and prevent competing consolidators from making such data available to investors and other market participants. In addition, if the information on Form CC were not collected, market participants would not be able to compare and evaluate competing consolidator services and the Commission would not be able to assess whether to declare an initial Form CC as ineffective.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Competing consolidators are required to keep and preserve at least one copy of all documents, including all correspondence, memoranda, papers, books, notices, accounts and such other records as shall be made or received by it in the course of its business as such and in the conduct of its business. The proposed amendment would require competing consolidators to keep these documents for a period of no less than five years, the first two years in an easily accessible place. This requirement is consistent with current SEC rules for SROs.¹³

There are no other special circumstances, and this collection is otherwise consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The Commission has issued a proposing release soliciting comments on the proposed amendment's requirements and associated paperwork burdens.¹⁴ Comments on Commission releases are generally received from industry groups, investors, and other market participants. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges. Any comments received on this proposed rulemaking will be posted on the Commission's public website and made available through www.sec.gov/rules/proposed.shtml. The Commission will consider all comments received prior to publishing the final rule, and will explain in any adopting release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).

¹³ See e.g., Rule 17a-1, 17 CFR 240.17a-1.

¹⁴ See Proposing Release *supra* note 5.

9. Payment or Gift.

No payment or gift is provided to respondents.

10. Confidentiality

The Form CC and amendments to the effective national market system plan(s) would not be confidential as they would be posted on the Commission's public website. Competing consolidators would make available to subscribers consolidated market data and therefore, would not be confidential. Competing consolidator records would be available to the Commission and other regulators. The reports and reviews of competing consolidators would be published on competing consolidator websites and would not be confidential. Finally, the exchanges and associations would make available to competing consolidators and self-aggregators quotation and transaction information. Accordingly, no assurances of confidentiality are necessary.

11. Sensitive Questions

The information collection collects basic personally identifiable information (PII) that may include name, telephone and fax number, email address, user ID and job title. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the SRO Rule Tracking System/Electronic Form Filing System (SRTS/EFFS) PIA, in connection with this collection of information. The SRTS/EFFS PIA, published on September 30, 2013, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>; this PIA is currently in the process of being updated.

The agency has determined that the information collection constitutes a system of record for purposes of the Privacy Act and is covered under System of Records Notice (SORN) # 70, published on February 15, 2018. SORN # 70 is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Burden of Information Collection

As noted above, the proposed amendment would establish new collections of information. The Commission anticipates that the respondents will incur the following reporting, recordkeeping, or third-party disclosure burdens.

Summary of Approximate Hourly Burdens

Name of Information Collection	Type of Burden	A Number of Entities Impacted	B Annual Responses per Entity	C Initial Burden per Entity per Response	D Initial Burden Annualized per Entity per Response C/3	E Ongoing Burden per Entity per Response	F Annual Burden per Entity per Response D+E	G Total Annual Burden per Entity F*B	H Total Industry Burden G*A	Small Business Entities Affected
Form CC	Reporting	8	1	200.3	66.77	0 ¹⁵	66.77	66.7	533.6	0
Form CC Amendment	Reporting	8	2	12.0	4.0	6.15	10.15	20.3	162.4	0
Form CC Cessation	Reporting	8	1	2	0.67	0	0.67	0.67	5.36	0
CC Duties and Data Collection	Third Party									
		2 (market data aggregation firms)	1	900	300	540	840	840	1,680	0
		2 (broker-dealers)	1	900	300	540	840	840	1,680	0
		2 (exclusive SIPS)	1	1,800	600	540	1,140	1,140	2,280	0
		2 (New Entrants)	1	3,600	1,200	540	1,740	1,740	3,480	0
		4 (SROs)	1	3,600	1,200	540	1,740	1,740	6,960	0
Public Posting of Form CC	Third Party	12	1	0.5	0.167	0.5	0.667	0.667	8	0
CC Recordkeeping	Recordkeeping	12	1	40	13.33	20	33.33	33.33	399.96	0
CC Monthly Reports	Reporting	12	1	246	82	11	93	93	1,116	0
NMS Plans Amendment	Reporting	17	1	420	140	0	140	140	2,380	0
SRO Market Data	Third Party	17	1	220	73.33	396	469.33	469.33	7,978.61	0
Total Annual Burden									28,663.93	

Registration Requirements and Form CC

The respondents to this collection of information will be the 8 non-SRO entities that the Commission estimates may register as competing consolidators. Each SIP that wishes to register as a competing consolidator would have to file a Form CC to register with the Commission. Thereafter, each competing consolidator would have to file an annual report and an amendment, if necessary.

The Commission estimates that each competing consolidator will incur an initial, one-time reporting burden of 200.3 hours to complete the initial Form CC with the information required, including all exhibits and file the Form CC with the Commission (including 0.3 hours to access the Commission's Electronic Form Filing System). **This would result in an estimated annual burden of 66.7 hours per respondent, and 533.6 hours annually in the aggregate.**¹⁶ Competing consolidators will have to submit amendments to Form CC when necessary, including Annual Reports that would be required to correct information that has become inaccurate or incomplete, and Material Amendments that would be required to be filed prior to

¹⁵ The ongoing burdens for Form CC are reflected in the following line describing Form CC amendments.

¹⁶ (66.67 initial one-time burden as annualized over the three year approval period) + (no ongoing burden) = 66.67 hours.

any material change in the pricing, connectivity, or products offered. The Commission estimates that a competing consolidator will incur an initial reporting burden of 6 hours to complete and file an amendment to Form CC. The Commission further estimates that each competing consolidator will incur an ongoing reporting burden of 12 hours to file an Annual Report and a Material Amendment, and 0.3 hours to access the EDFS, for a total ongoing burden of 12.3. **This would result in an estimated annual burden of 10.15 per respondent, and 162.4 hours annually in the aggregate.**¹⁷ When a competing consolidator ceases operation, it must prepare and file a cessation form on Form CC. The Commission estimates that each competing consolidator would incur an initial one-time reporting burden of 2 hours to prepare and file the cessation form. **This would result in an estimated annual burden of 0.67 hours per respondent, and 5.36 hours annually in the aggregate.**¹⁸

Competing Consolidator Duties and Data Collection

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to collect from the SROs quotation and transaction information for NMS stocks, calculate and generate consolidated market data, and make available to subscribers proposed consolidated market data.

The Commission expects different entities to act as competing consolidators: two market data aggregation firms, two broker-dealers, two entities that currently operate as exclusive SIPs, two new entrants, and four SROs. The Commission has estimated the burdens for different types of entities based on the anticipated changes to their systems necessary to collect SRO quotation and transaction information, calculate and generate proposed consolidated market data, and make available consolidated market data to subscribers.

The Commission estimates that each market data aggregation firm will incur an initial, one-time burden of 900 hours to modify its systems in order to operate as a competing consolidator. The Commission further estimates that each market data aggregation firm will incur an ongoing burden of 540 hours to maintain its systems. **This would result in an estimated annual burden of 840 hours per respondent and 1,680 hours annually in the aggregate.**¹⁹

The Commission estimates that each broker-dealer will incur an initial, one-time burden of 900 hours to modify its systems in order to act as a competing consolidator. The Commission further estimates that each broker-dealer will incur an ongoing burden of 540 hours to maintain

¹⁷ (4 initial one-time burden as annualized over the three year approval period) + (6.15 ongoing burden) = 10.15 hours.

¹⁸ (0.67 initial one-time burden as annualized over the three year period) + (no ongoing burden) = 0.67 hours

¹⁹ (300 initial one-time burden as annualized over the three year approval period) + (540 ongoing burden) = 840 hours.

its systems. **This would result in an estimated annual burden of 840 hours per respondent and 1,680 hours in the aggregate.**²⁰

The Commission estimates that each exclusive SIP will incur an initial, one-time burden of 1,800 hours to modify its systems in order to act as a competing consolidator. The Commission further estimates that each exclusive SIP will incur an ongoing burden of 540 hours to maintain its systems. **This would result in an estimated annual burden of 1,140 hours per respondent and 2,280 hours annually in the aggregate.**²¹

The Commission estimates that each new entrant will incur an initial, one-time burden of 3,600 hours to modify its systems in order to act as a competing consolidator. The Commission further estimates that each new entrant will incur an ongoing burden of 540 hours to maintain its systems. **This would result in an estimated annual burden of 1,740 hours per respondent and 3,480 hours annually in the aggregate.**²²

The Commission estimates that each SRO will incur an initial, one-time burden of 3,600 hours to modify its systems in order to act as a competing consolidator. The Commission further estimates that each SRO will incur an ongoing burden of 540 hours to maintain its systems. **This would result in an estimated annual burden of 1,740 hours per respondent and 6,960 hours annually in the aggregate.**²³

Competing Consolidators Public Posting of Form CC

The respondents to this collection of information will be the 12 entities that the Commission estimates may register as competing consolidators. Each entity would be required to make public on its website a direct URL hyperlink to the Commission's website that contains each effective initial Form CC, order of ineffective initial Form CC, and amendments to effective Form CCs. The Commission estimates that each competing consolidator will incur an initial, one-time burden of 0.5 hours to publicly post the URL hyperlink and ensure the link is correct. The Commission further estimates that each competing consolidator will incur an ongoing burden of 0.5 hours to maintain the link. **This would result in an estimated annual burden of 0.667 hours per respondent and 8 hours annually in the aggregate.**²⁴

²⁰ (300 initial one-time burden as annualized over the three year approval period) + (540 ongoing burden) = 840 hours.

²¹ (600 initial one-time burden as annualized over the three year approval period) + (540 ongoing burden) = 1,140 hours.

²² (1,200 initial one-time burden as annualized over the three year approval period) + (540 ongoing burden) = 1,740 hours.

²³ (1,200 initial one-time burden as annualized over the three year approval period) + (540 ongoing burden) = 1,740 hours.

²⁴ (0.5 initial one-time burden as annualized over the three year approval period) + (0.5 ongoing burden) = 0.667 hours.

Competing Consolidators Recordkeeping

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to keep and preserve at least one copy of all documents made or received by it in the course of its business and in the conduct of its business. These documents must be kept for a period of no less than five years, the first two years in an easily accessible place. The Commission estimates that each competing consolidator will incur an initial, one-time burden of 40 hours to comply with the recordkeeping requirements. The Commission further estimates that each competing consolidator will incur an ongoing burden of 20 hours to maintain the recordkeeping. **This would result in an estimated annual burden of 33.33 hours per respondent and 399.96 hours annually in the aggregate.**²⁵

Competing Consolidators Monthly Reports and Reviews

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to produce monthly reports. The Commission estimates that each competing consolidator will incur an initial, one-time burden of 246 hours to produce the monthly reports and post them publicly. The Commission further estimates that each competing consolidator will incur an ongoing burden of 11 hours to produce and post the monthly reports. **This would result in an estimated annual burden of 93 hours per respondent and 1,116 hours annually in the aggregate.**²⁶

NMS Plans Amendment

The respondents to this collection of information will be the 16 national securities exchanges and the single national securities association who are participants in the effective national market system plan(s) for NMS stocks. The respondents would need to amend the current effective national market system plans to reflect the proposed decentralized consolidation model for disseminating consolidated market data as well as make technology changes to collect and provide timestamps. The Commission estimates that each participant will incur an initial, one-time reporting burden of 420 hours of legal and compliance time to prepare, amend, and file the NMS plans. **This would result in an estimated annual burden of 140 hours per respondent and 2,380 hours annually in the aggregate.**²⁷

SRO Market Data Collection and Dissemination

²⁵ (13.33 initial one-time burden as annualized over the three year approval period) + (20 ongoing burden) = 33.33 hours.

²⁶ (82 initial one-time burden as annualized over the three year approval period) + (11 ongoing burden) = 93 hours.

²⁷ (140 initial one-time burden as annualized over the three year approval period) + (no ongoing burden) = 140 hours.

The respondents to this collection of information will be the 16 national securities exchanges and the single national securities association. Each SRO would need to make available to all competing consolidators and self-aggregators all information with respect to quotations for and transactions in NMS stocks, including all data necessary to generate consolidated market data, in the same manner and using the same methods, including all methods of access and the same format, as such SRO makes available any information with respect to quotations for and transactions in NMS stocks to any person.

The Commission estimates that each SRO will incur an initial, one-time reporting burden of 220 hours of legal, compliance, information technology, and business operations personnel time to prepare and modify systems to generate and make available the market data. The Commission further estimates that each SRO will incur an ongoing reporting burden of 396 hours to collect the information necessary to generate proposed consolidated market data. **This would result in an estimated annual burden of 469.33 hours per respondent and 7,978.61 hours annually in the aggregate.**²⁸

13. Costs to Respondents

The Commission believes that respondents will incur costs in connection with the proposed amendment. The Commission anticipates that the respondents will incur the following annual cost burdens.

Summary of Dollar Costs

Name of Information Collection	Type of Burden	A Number of Entities Impacted	B Annual Responses per Entity	C Initial Cost per Entity per Response	D Initial Cost Annualized per Entity per Response C/3	E Ongoing Cost per Entity per Response	F Annual Cost per Entity per Response D+E	G Total Annual Cost per Entity F*B	H Total Industry Cost G*A	Small Business Entities Affected
Form CC	Reporting	8	1	\$93,590.10	\$31,196.70	\$0 ²⁹	\$31,196.70	\$31196.70	\$249,573.60	0
Form CC Amendment	Reporting	8	2	\$5,604.00	\$1868.00	\$2,872.05	\$4,740.05	\$9480.10	\$75,840.80	0
Form CC Cessation	Reporting	8	1	\$934	\$311.33	\$0	\$311.33	\$311.33	\$2,490.64	
CC Duties and Data Collection	Third Party									
		2 (market data aggregation firms)	1	\$414,250	\$138,083.33	\$4,894,445	\$5,032,528.33	\$5,032,528.33	\$10,065,056.66	0
		2 (broker-dealers)	1	\$414,250	\$138,083.33	\$4,894,445	\$5,032,528.33	\$5,032,528.33	\$10,065,056.66	0
		2 (SIPS)	1	\$620,500	\$206,833.33	\$4,894,445	\$5,101,278.33	\$5,101,278.33	\$10,202,556.66	0
		2 (New Entrants)	1	\$1,033,000	\$344,333.33	\$4,894,445	\$5,238,778.33	\$5,238,778.33	\$10,477,556.66	0
		4 (SROs)	1	\$1,033,000	\$344,333.33	\$4,894,445	\$5,238,778.33	\$5,238,778.33	\$20,955,113.32	0
Public Posting of Form CC	Third Party	12	1	\$120.5	\$40.16	\$120.5	\$160.66	\$160.66	\$1,927.92	0
CC Recordkeeping	Recordkeeping	12	1	\$8,720	\$2,906.67	\$4,360	\$7,266.67	\$7,266.67	\$87,200.04	0

²⁸ (73.33 initial one-time burden as annualized over the three year approval period) + (396 ongoing burden) = 469.33 hours.

²⁹ The ongoing burdens for Form CC are reflected in the following line describing Form CC amendments.

Name of Information Collection	Type of Burden	A Number of Entities Impacted	B Annual Responses per Entity	C Initial Cost per Entity per Response	D Initial Cost Annualized per Entity per Response C/3	E Ongoing Cost per Entity per Response	F Annual Cost per Entity per Response D+E	G Total Annual Cost per Entity F*B	H Total Industry Cost G*A	Small Business Entities Affected
CC Monthly Reports	Reporting	12	1	\$81,307	\$27,102.33	\$3,768.50	\$30,870.83	\$30,870.83	\$370,449.99	0
NMS Plans Amendment	Reporting	17	1	\$175,140	\$58,380	\$0	\$58,380	\$58,380	\$992,460	0
SRO Market Data	Third Party	17	1	\$70,865	\$23,621.67	\$128,064	\$151,685.67	\$151,685.67	\$2,578,656.39	0
Total Annual Burden									\$66,123,939.10	

Registration Requirements and Form CC

The respondents to this collection of information will be the 8 non-SRO entities that the Commission estimates may register as competing consolidators. Specifically, the Commission estimates an initial cost of \$93,590.10³⁰ for internal legal costs related to the registration as competing consolidators. **This would result in an estimated annual cost of \$31,196.70 per respondent.³¹ The Commission estimates that there will be 8 competing consolidator respondents. This would result in an estimated annual cost for the industry of \$249,573.60.** When a competing consolidator is required to amend its Form CC, it will have to file such amendment with the Commission. **This would result in an estimated annual cost of \$4,740.05 per respondent.³² This would result in an estimated annual cost for the industry of \$75,840.80.** When a competing consolidator ceases operation, it must file a cessation form. The Commission estimates that each competing consolidator would incur an initial cost of \$934 for internal legal costs related to filing the cessation form. **This would result in an estimated annual cost of \$311.33 per respondent, and \$2,490.64 annually in the aggregate.**

Competing Consolidator Duties and Data Collection

As noted above, the respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to collect from the SROs quotation and transaction information for NMS stocks, calculate and generate consolidated market data, and make available the consolidated market data to subscribers.

The Commission expects different entities to register as competing consolidators: two market data aggregation firms, two broker-dealers, two entities that currently operate as exclusive SIPs, two new entrants, and four SROs. The Commission has estimated the burdens for different types of entities based on the anticipated changes to their systems necessary to

³⁰ This number represents each respondent's initial one-time burden of \$93,540.10 + \$50 to access EFFS.

³¹ (\$31,196.70 initial, one-time cost, as annualized over the three year reporting period) + (\$0 ongoing cost).

³² (\$1,868.00 initial, one-time cost, as annualized over the three year reporting period) + (\$2,872.05 ongoing cost)

collect SRO quotation and transaction information, calculate and generate proposed consolidated market data, and make available consolidated market data to subscribers.

The Commission estimates an initial cost of \$414,250 and an ongoing cost of \$4,894,445 per year for market data aggregation firms that act as competing consolidators, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would result in an estimated annual cost of \$5,033,528.33 per respondent.**³³ The Commission estimates that there will be 2 market data aggregation firm respondents. **This would result in an estimated annual cost for the industry of \$10,067,056.66.**

The Commission estimates an initial cost of \$414,250 and an ongoing cost of \$4,895,445 per year for broker-dealer firms that act as competing consolidators, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would result in an estimated annual cost of \$5,033,528.33 per respondent.**³⁴ The Commission estimates that there will be 2 broker-dealer respondents. **This would result in an estimated annual cost for the industry of \$10,067,056.66.**

The Commission estimates an initial cost of \$620,500 and an ongoing cost of \$4,894,445 per year for exclusive SIPs that act as competing consolidators, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would result in an estimated annual cost of \$5,101,278.33 per respondent.**³⁵ The Commission estimates that there will be 2 exclusive SIP respondents. **This would result in an estimated annual cost for the industry of \$10,202,556.66.**

The Commission estimates an initial cost of \$1,033,000 and an ongoing cost of \$4,894,445 per year for new entrants that act as competing consolidators, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would result in an estimated annual cost of \$5,238,778.33 per respondent.**³⁶ The Commission estimates that there will be 2 new entrants. **This would result in an estimated annual cost for the industry of \$10,477,556.66.**

The Commission estimates an initial cost of \$1,033,000 and an ongoing cost of \$4,894,445 per year for SROs that act as competing consolidators, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would**

³³ (\$138,083.33 initial, one-time cost, as annualized over the three year reporting period) + (\$4,895,445 ongoing cost).

³⁴ (\$138,083.33 initial, one-time cost, as annualized over the three year reporting period) + (\$4,895,445 ongoing cost).

³⁵ (\$206,833.33 initial, one-time cost, as annualized over the three year reporting period) + (\$4,894,445 ongoing cost).

³⁶ (\$344,333.33 initial, one-time cost, as annualized over the three year reporting period) + (\$4,894,445 ongoing cost).

result in an estimated annual cost of \$5,238,778.33 per respondent.³⁷ The Commission estimates that there will be 4 SRO respondents. **This would result in an estimated annual cost for the industry of \$20,955,113.32.**

Competing Consolidators Public Posting of Form CC

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. As noted above, each entity would be required to make public on its website a direct URL hyperlink to the Commission's website that contains each effective initial Form CC, order of ineffective initial Form CC, and amendments to effective Form CCs. The Commission estimates an initial cost of \$120.50 and an ongoing cost of \$120.50 per year, for internal programming costs related to posting the Form CC. **This would result in an estimated annual cost of \$160.67 per respondent.**³⁸ The Commission estimates that there will be 12 competing consolidator respondents. **This would result in an estimated annual cost for the industry of \$1,927.**

Competing Consolidators Recordkeeping

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to keep and preserve at least one copy of all documents made or received by it in the course of its business and in the conduct of its business. The Commission estimates an initial cost of \$8,720 and an ongoing cost of \$4,360 per year, for internal legal costs related to recordkeeping. **This would result in an estimated annual cost of \$7,266.67 per respondent.**³⁹ The Commission estimates that there will be 12 competing consolidator respondents. **This would result in an estimated annual cost for the industry of \$87,200.04.**

Competing Consolidators Monthly Reports and Reviews

The respondents to this collection of information will be the 12 entities that the Commission estimates may act as competing consolidators. Each entity would be required to produce monthly reports. The Commission estimates an initial cost of \$81,307 (\$80,507 + \$800 in external cost) and an ongoing cost of \$3,768.50 per year, for internal legal and programming costs related to compiling the monthly reports and conducting the monthly reviews. **This would result in an estimated annual cost of \$30,870.83 per respondent.**⁴⁰ The Commission

³⁷ (\$344,333.33 initial, one-time cost, as annualized over the three year reporting period) + (\$4,894,445 ongoing cost).

³⁸ (\$40.16 initial, one-time cost, as annualized over the three year reporting period) + (\$120.5 ongoing cost).

³⁹ (\$2,906.67 initial, one-time cost, as annualized over the three year reporting period) + (\$4,360 ongoing cost).

⁴⁰ (\$27,102.33 initial, one-time cost, as annualized over the three year reporting period) + (\$3,768.50 ongoing cost).

estimates that there will be 12 competing consolidator respondents. **This would result in an estimated annual cost for the industry of \$370,449.99.**

NMS Plan Amendment

The respondents to this collection of information will be the 17 SROs who are participants in the effective national market system plan(s) for NMS stocks. The respondents would need to amend the current effective national market system plan(s) to reflect the new decentralized consolidation model for disseminating consolidated market data as well as make technology changes to collect and provide timestamps. The Commission estimates an initial cost of \$175,140 and no ongoing cost, for internal legal costs related to preparing the NMS plan amendment. **This would result in an estimated annual cost of \$58,380 per respondent.**⁴¹ The Commission estimates that there will be 17 SRO respondents. **This would result in an estimated annual cost for the industry of \$992,460.**

SRO Market Data Collection and Dissemination

The respondents to this collection of information will be the 17 SROs. Each SRO would need to make available to all competing consolidators and self-aggregators all information with respect to quotations for and transactions in NMS stocks, including all data necessary to generate consolidated market data, in the same manner and using the same methods, including all methods of access and the same format, as such SRO makes available any information with respect to quotations for and transactions in NMS stocks to any person. The Commission estimates an initial cost of \$70,865 and ongoing cost of \$128,064 per year, for internal legal and programming costs related to collecting and disseminating market data. **This would result in an estimated annual cost of \$151,685.67 per respondent.**⁴² The Commission estimates that there will be 17 SRO respondents. **This would result in an estimated annual cost for the industry of \$2,578,656.**

14. Cost to Federal Government

The Commission estimates it will cost the federal government \$750,000 in order to build out the current Form CC in the EDFS/SRTS system.

15. Changes in Burden

Not applicable.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collection is not used for statistical purposes.

⁴¹ (\$58,380 initial, one-time cost, as annualized over the three year reporting period) + (\$0 ongoing cost).

⁴² (\$23,621.67 initial, one-time cost, as annualized over the three year reporting period) + (\$128,064 ongoing cost).

17. OMB Expiration Date Display Approval

The Commission is requesting authorization to omit the expiration date on the electronic version of the Form CC, although the OMB control number will be displayed. Including the expiration date on the electronic version of this form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.