

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

**New Information Collection Request (Adoption of Final Rule)
3235-0778**

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”)¹ and the Commission has adopted rules under Regulation NMS that govern the provision of market information in the national market system.²

On February 14, 2020, the Commission proposed to update and modernize the national market system for the collection, consolidation, and dissemination of NMS information by, among other things, amending Regulation NMS.³ Pursuant to the statutory authority provided

¹ Section 11A(a)(2) of the Exchange Act (15 U.S.C. 78k-1(a)(2)) 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 (15 U.S.C. 78k-1(a)(1)). 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” 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” 15 U.S.C. 78k-1(a)(1)(B) and 15 U.S.C. 78k-1(a)(1)(C), respectively.

² See 17 CFR 242.600, 601, 602, and 603.

³ See Securities Exchange Act Release No. 34-88216 (February 14, 2020), 85 FR 16726 (Mar. 24, 2020) (File No. S7-03-20) (“Proposing Release”).

by the Exchange Act,⁴ including Sections 3(b),⁵ 5,⁶ 6,⁷ 11A,⁸ and 23(a)⁹ thereof, the Commission adopted the amendments, with certain modifications, on December 9, 2020.¹⁰

The amendments contain two key elements. First, the Commission updated 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 amended the method by which “consolidated market data,” as now defined, is collected, consolidated and disseminated by introducing a decentralized consolidation model with competing consolidators, which replaces the centralized consolidation model that relies on exclusive securities information processors (“exclusive SIPs”).¹¹

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.¹² Market participants also may independently consolidate

⁴ See 15 U.S.C. 78a.

⁵ 15 U.S.C. 78c.

⁶ 15 U.S.C. 78e.

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78k-1.

⁹ 15 U.S.C. 78w(a).

¹⁰ See Securities Exchange Act Release No. 34-90610 (December 9, 2020), 86 FR 18596 (April 9, 2020) (File No. S7-03-20) (“Adopting Release”).

¹¹ 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.”

¹² 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

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 amended 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”¹³ that is prompt, accurate, reliable, and fair.¹⁴ The Commission believes that the amendments 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 amendments, as adopted, establish seven new collections of information.

1. Registration requirements and Form CC. Rule 614(a)(1)(i) requires each competing consolidator to register with the Commission by filing Form CC electronically in accordance with the instructions contained on the form. Competing consolidators will 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. Rule 614(d)(1)-(4) requires competing consolidators to (i) collect from each SRO the information with respect to quotations for and transactions in NMS stocks as provided in Rule 603(b); (ii) calculate and generate consolidated market data products; (iii) make consolidated market data products available to subscribers with the required timestamps on terms that are not unreasonably discriminatory; and (iv) timestamp the information collected from the SROs at certain specified times.
3. Competing consolidators’ public posting of Form CC. Rule 614(c) requires 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. Rule 614(d)(7) requires each competing consolidator to keep and preserve at least one copy of all documents as defined in the rule for a period of

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).

¹³ Section 11A(a)(1)(C)(iii), 15 U.S.C. 78k-1(a)(1)(C)(iii).

¹⁴ 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.”

- no less than five years, the first two in an easily accessible place. Rule 614(d)(8) requires 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. Rule 614(d)(5) requires competing consolidators to publish on their websites certain monthly performance metrics. Rule 614(d)(6) requires competing consolidators to publish certain monthly data quality information.
 6. Amendment to the effective national market system plan(s) for NMS stocks. Rule 614(e) requires the participants to the effective national market system plan(s) for NMS stocks to submit an amendment to such plan(s) within 150 days of the effectiveness of the amendments that contain certain specified provisions.
 7. Collection and dissemination of information by national securities exchanges and national securities associations. The amendment to Rule 603(b) requires 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 consolidated market data products, 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 amendments, the national market system for the collection, consolidation, and dissemination of consolidated market data will not be modernized and updated. As discussed in the Adopting 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 provide information to the Commission and market participants. The Commission will gather information through the Form CC to determine whether to declare ineffective an initial Form CC. The information will also be used by market participants to evaluate competing consolidators. Under Rule 614, competing consolidators are required to keep certain records, which facilitate the Commission's oversight of competing consolidators, and to publish certain monthly performance statistics, which provide transparency with respect to the services and performance of competing consolidators. Competing consolidators and self-aggregators must

collect market data information from the SROs to generate consolidated market data products. The SROs will need to collect market data information that they will then have to provide to competing consolidators and self-aggregators for the purposes of generating consolidated market data products. Finally, the SROs must 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 amendments use information technology to lessen the burden on the respondents. Form CC will be electronically filed with the Commission and publicly posted on the Commission's and competing consolidators' websites. The amendments modernize the manner in which consolidated market data, as now defined, is collected, calculated, and disseminated to market participants by introducing competing consolidators who may compete for subscribers by utilizing the latest information technology for the collection, consolidation and dissemination of consolidated market data products. In addition, self-aggregators will be able to use the information technology they choose to support their market data requirements. The Commission believes that the amendments will 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 amendments will 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 amendment.

5. Effects on Small Entities

The Commission believes that the requirements under the amendments will not affect small entities.¹⁵ The amendments impose requirements on national securities exchanges and FINRA, and on entities that 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.¹⁶ None of the national securities exchanges subject to the amendments fall within this definition.

¹⁵ See Adopting Release, supra note 10, at Part VI.

¹⁶ See 17 CFR 240.0-10(e).

Similarly, FINRA does not qualify as a small entity.¹⁷ The Commission believes that no competing consolidators will be small entities.

6. Consequences of Not Conducting Collection

The information required by the amendments 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 consolidated market data. Further, competing consolidators must collect, calculate and generate consolidated market data products and make such data available to market participants. The Commission will receive from competing consolidators information on Form CC, and competing consolidators are required to maintain records and publish performance data and other information on their websites on a monthly basis.

The Commission believes that the amendments 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 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 would prevent competing consolidators from making such data available to investors and other market participants. In addition, if the information on Form CC is 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 amendment requires 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.¹⁸

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

¹⁷ See 13 CFR 121.201.

¹⁸ See, e.g., Rule 17a-1, 17 CFR 240.17a-1.

The Commission requested comment on the information collection requirements of the amendments in the Proposing Release,¹⁹ a copy of which is attached. The burden and costs for filing ongoing Form CC Amendments were revised upon further Commission consideration and the evaluation of a comment letter that stated that competing consolidators would amend their fees more than once a year, which would require an amendment to a competing consolidator's Form CC.²⁰ The ongoing costs to post on its website a direct URL hyperlink to the Commission's website changed for the same reason.²¹ The estimated burden and costs incurred by potential competing consolidators to build or upgrade systems to comply with proposed Rules 614(d)(1)-(d)(4) were increased due to further Commission consideration and evaluation of the view expressed by a commenter that the costs should be increased.²² 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 rulemaking were posted on the Commission's public website and made available through www.sec.gov/rules/proposed.shtml. The Commission considered all comments received prior to publishing the final rule, and explained in the Adopting Release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).

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) will not be confidential; they will be posted on the Commission's public website. Competing consolidators will make available to subscribers consolidated market data products, which therefore will not be confidential. Competing consolidator records will be available to the Commission and other regulators. The reports and reviews of competing consolidators will be published on competing consolidator websites and will not be confidential. Finally, the exchanges and associations will 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/EFPS) PIA, in connection with this collection of information. The SRTS/EFPS PIA, published on September 30, 2013, is

¹⁹ See note 3 *supra*.

²⁰ See Adopting Release, *supra* note 10, at 86 FR at 18709.

²¹ *Id.*

²² *Id.* at 18709-10, 18713, 18714.

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 amendments 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 (except as noted)	G Total Annual Burden per Entity F*B (except as noted)	H Total Industry Burden G*A (except as noted)	Small Business Entities Affected
Form CC	Reporting	8	1	200.3	66.77	0 ²³	66.77	66.77	534.16	0
Form CC Amendment - Initial	Reporting	8	2	6	2	0	2	4	32	0
Form CC Amendment - Ongoing	Reporting	8	6	0	0	6.15	6.15	36.9 ²⁴	295.2 ²⁵	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	2,200	733.33	1,320	2,053.33	2,053.33	4,106.66	0
		1 (broker-dealer)	1	2,200	733.33	1,320	2,053.33	2,053.33	2,053.33	0
		2 (exclusive SIPs)	1	4,400	1,466.67	1,320	2,786.66	2,786.66	5,573.33	0
		2 (new entrants)	1	8,800	2,933.33	1,320	4,253.33	4,253.33	8,506.66	0
		1 (SRO)	1	8,800	2,933.33	1,320	4,253.33	4,253.33	4,253.33	0
Public Posting of Form CC - Initial	Third Party	8	1	0.5	0.167	0	0.167	0.167	1.336	0

²³ The ongoing burdens for Form CC are reflected in the following line describing Form CC amendments.

²⁴ 6 (# of responses per entity in each subsequent year) x 6.15 hours (ongoing burden per entity per response) = 36.9 hours.

²⁵ 36.9 hours (the annual burden per entity for each subsequent year) x 8 (# of entities impacted) = 295.2 hours.

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 (except as noted)	G Total Annual Burden per Entity F*B (except as noted)	H Total Industry Burden G*A (except as noted)	Small Business Entities Affected
Public Posting of Form CC - Ongoing	Third Party	8	6	0	0	0.25	0.25	1.5	12	0
CC Recordkeeping	Recordkeeping	8	1	40	13.33	20	33.33	33.33	266.64	0
CC Monthly Reports	Reporting	8	12	20.5	6.833	11	17.833	214	1,712	0
NMS Plans Amendment	Reporting	19	1	22.105 ²⁶	7.368	12.895 ²⁷	20.263	20.263	384.997	0
SRO Market Data	Third Party	17	1	220	73.33	396	469.33	469.33	7,978.61	0
Total Annual Burden									35,715.61	

Registration Requirements and Form CC

The respondents to this collection of information will be the 8 entities that the Commission estimates may register as competing consolidators. Each SIP that wishes to register as a competing consolidator must file a Form CC to register with the Commission. Thereafter, each competing consolidator must 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 66.77 hours per respondent, and 534.16 hours in the aggregate.**²⁸ Competing consolidators will have to submit amendments to Form CC when necessary, including Annual Reports correcting information that has become inaccurate or incomplete, and Material Amendments that must be filed prior to any material change in the pricing, connectivity, or products offered. The Commission estimates that, during the first year, a competing consolidator will incur an initial reporting burden per response (annualized) of 6 hours to complete and file such materials. In each year thereafter, the Commission estimates that a competing consolidator will incur an ongoing annual burden of approximately 6.15 hours per response. **This would result in estimated annual burdens per respondent of 4 hours**²⁹ **during the first year and**

²⁶ (420 initial burden hours per response filed jointly by respondents) / (19 respondents) = 22.105 hours per respondent.

²⁷ (245 ongoing burden hours per response filed jointly by respondents) / (19 respondents) = 12.895 hours.

²⁸ 66.77 (initial one-time burden, annualized over the three-year approval period) x 8 respondents = 534.16 hours.

²⁹ 2 (# of responses per entity during the first year) x 2 hours (initial burden annualized per entity per response) = 4 hours.

36.9 hours each year thereafter.³⁰ Correspondingly, the aggregate industry burdens would be 32 hours during the first year³¹ and 295.2 hours each year thereafter.³² 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.³³**

Competing Consolidator Duties and Data Collection

The respondents to this collection of information will be the 8 entities that the Commission estimates may act as competing consolidators. Each entity must collect from the SROs quotation and transaction information for NMS stocks, calculate and generate consolidated market data products, and make available to subscribers consolidated market data products.

The Commission expects different entities to act as competing consolidators: two market data aggregation firms, one broker-dealer that currently aggregates market data for internal uses, two entities that currently operate as exclusive SIPs, two new entrants, and one SRO. 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 consolidated market data products, and make available consolidated market data products to subscribers.

The Commission estimates that each market data aggregation firm will incur an initial, one-time burden of 2,200 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 1,320 hours to maintain its systems. **This would result in an estimated annual burden of 2,053.33 hours per respondent and 4,106.66 hours annually in the aggregate.³⁴**

The Commission estimates that a broker-dealer will incur an initial, one-time burden of 2,200 hours to modify its systems in order to act as a competing consolidator. The Commission

³⁰ $6 \text{ (\# of responses per entity in each subsequent year)} \times 6.15 \text{ hours (ongoing burden per entity per response)} = 36.9 \text{ hours.}$

³¹ $4 \text{ hours (the annual burden per entity for the first year)} \times 8 \text{ (\# of entities impacted)} = 32 \text{ hours.}$

³² $36.9 \text{ hours (the annual burden per entity for each subsequent year)} \times 8 \text{ (\# of entities impacted)} = 295.2 \text{ hours.}$

³³ $0.67 \text{ (initial one-time burden, annualized over the three-year period)} + 0 \text{ (no ongoing burden)} = 0.67 \text{ hours.}$

³⁴ $733.33 \text{ (initial one-time burden, annualized over the three-year period)} + 1,320 \text{ (ongoing burden)} = 2,053.33 \text{ hours.}$

further estimates that the broker-dealer will incur an ongoing burden of 1,320 hours to maintain its systems. **This would result in an estimated annual burden of 2,053.33 hours per respondent³⁵ and 2,053.33 hours in the aggregate.**

The Commission estimates that each exclusive SIP will incur an initial, one-time burden of 4,400 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 1,320 hours to maintain its systems. **This would result in an estimated annual burden of 2,786.66 hours per respondent³⁶ and 5,573.33 hours annually in the aggregate.**

The Commission estimates that each new entrant will incur an initial, one-time burden of 8,800 hours to build systems in order to act as a competing consolidator. The Commission further estimates that each new entrant will incur an ongoing burden of 1,320 hours to maintain its systems. **This would result in an estimated annual burden of 4,253.33 hours per respondent³⁷ and 8,506.66 hours annually in the aggregate.**

The Commission estimates that each SRO will incur an initial, one-time burden of 8,800 hours to build systems in order to act as a competing consolidator. The Commission further estimates that each SRO will incur an ongoing burden of 1,320 hours to maintain its systems. **This would result in an estimated annual burden of 4,253.33 hours per respondent³⁸ and 4,253.33 hours annually in the aggregate.**

Competing Consolidators Public Posting of Form CC

The respondents to this collection of information will be the 8 entities that the Commission estimates may register as competing consolidators. Each entity must 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 1.5 hours³⁹ annually to maintain the link. **This would result in an estimated annual burden of**

³⁵ 733.33 (initial one-time burden, annualized over the three-year period) + 1,320 (ongoing burden) = 2,053.33 hours.

³⁶ 1,466.67 (initial one-time burden, annualized over the three-year period) + 1,320 (ongoing burden) = 2,786.67 hours.

³⁷ 2,933.33 (initial one-time burden, annualized over the three-year period) + 1,320 (ongoing burden) = 4,253.33 hours.

³⁸ 2,933.33 (initial one-time burden, annualized over the three-year period) + 1,320 (ongoing burden) = 4,253.33 hours.

³⁹ 0.25 (ongoing burden per response per year) * 6 (ongoing responses per respondent per year) = 1.5 hours per respondent per year

1.336 hours per respondent for the initial public posting of the Form CC⁴⁰ and 12 hours annually per respondent to maintain the link.⁴¹

Competing Consolidators Recordkeeping

The respondents to this collection of information will be the 8 entities that the Commission estimates may act as competing consolidators. Each entity must 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 respondent⁴² and 266.64 hours annually in the aggregate.**

Competing Consolidators Monthly Reports and Reviews

The respondents to this collection of information will be the 8 entities that the Commission estimates may act as competing consolidators. Each entity must produce monthly reports. The Commission estimates that each competing consolidator will incur an initial burden of 246 hours to produce the monthly reports and post them publicly.⁴³ Accordingly, the estimated initial burden per respondent, per response is 20.5 hours.⁴⁴ The Commission further estimates that each competing consolidator will incur an ongoing burden of 132 hours to produce and post the monthly reports.⁴⁵ **This would result in an estimated annual burdens of approximately 214 hours per respondent and approximately 1,712 hours for all respondents.⁴⁶**

⁴⁰ 0.167 (initial one-time burden, annualized over the three-year period) \times 8 (respondents) = 1.336 hours.

⁴¹ 1.5 (hours per respondent per year) \times 8 (respondents) = 12 hours.

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

⁴³ See Adopting Release, *supra* note 10, 86 FR at 18718.

⁴⁴ 246 hours (initial burden per respondent per year) / 12 (months per year) = 20.5 hours (initial burden per respondent, per response).

⁴⁵ The Commission estimates that each competing consolidator would incur an average burden of 11 hours to prepare and make publicly available a monthly report in the format required by Rules 614(d)(5) and (d)(6). See Adopting Release, *supra* note 10, 86 FR at 18719. 11 hours (ongoing burden per respondent for each monthly report) \times 12 months = 132 hours (ongoing burden per respondent, per year).

⁴⁶ 6.833 hours (initial burden annualized over a three-year period per entity, per response) + 11 hours (ongoing burden per entity, per response) = 17.833 hours (annual burden per

NMS Plans Amendment

The respondents to this collection of information will be the 18 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 must amend the current effective national market system plans to reflect the decentralized consolidation model for disseminating consolidated market data products as well as make technology changes to collect and provide timestamps. The Commission estimates that the participants collectively will incur an initial, one-time reporting burden of 420 hours of legal and compliance time to prepare, amend, and file the NMS plans. The Commission further estimates that the participants collectively will incur an ongoing burden of 245 hours related to the NMS amendment (for maintaining the required timestamps, conducting assessments of competing consolidators, preparing an annual report, maintaining the list of the primary listing exchange for each NMS stock, and calculating gross revenues). **Because the Commission expects the 19 SRO respondents to collectively file one response, this would result in an estimated annual burden of 20.263 hours per respondent⁴⁷ and 384.997 hours annually in the aggregate.**

SRO Market Data Collection and Dissemination

The respondents to this collection of information will be the 16 national securities exchanges on which NMS stocks are traded and the single national securities association. Each of these SROs must 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 of these SROs 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 consolidated market data. **This would result in an estimated annual burden of 469.33 hours per respondent⁴⁸ and 7,978.61 hours annually in the aggregate.**

respondent, per response). 17.833 hours (annual burden per respondent, per response) x 12 (# of responses per year) = 213.996 hours (total annual burden per respondent). 8 (# of respondents) x 213.966 hours (total annual burden per respondent) = 1,711.968 hours (total burden of all respondents).

⁴⁷ 7.368 (initial one-time burden, annualized over a three-year period) + 12.895 (ongoing burden) = 20.263 hours.

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

13. Costs to Respondents

The Commission believes that respondents will incur costs in connection with the amendment. The Commission anticipates that the respondents will incur the following initial and 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 (except as noted)	G Total Annual Cost per Entity F*B (except as noted)	H Total Industry Cost G*A (except as noted)	I Small Business Entities Affected
Form CC	Reporting	8	1	\$93,590.10	\$31,196.70	\$0 ⁴⁹	\$31,196.70	\$31,196.70	\$249,573.60	0
Form CC Amendment - Initial	Reporting	8	2	\$2,802	\$934.00	0	\$934.00	\$1,868.00	\$14,944.00	0
Form CC Amendment - Ongoing	Reporting	8	6	0	0	\$2,872.05	\$2,872.05	\$17,232.30	\$137,858.40 each year thereafter	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	\$826,750	\$275,583.33	\$5,141,895	\$5,417,478.33	\$5,417,478.33	\$10,834,956.66	0
		1 (broker-dealer)	1	\$826,750	\$275,583.33	\$5,141,895	\$5,417,478.33	\$5,417,478.33	\$5,417,478.33	0
		2 (SIPs)	1	\$1,445,500	\$481,833.33	\$5,141,895	\$5,623,728.33	\$5,623,728.33	\$11,247,456.66	0
		2 (new entrants)	1	\$2,683,000	\$894,333.33	\$5,141,895	\$6,036,228.33	\$6,036,228.33	\$12,072,456.66	0
		1 (SRO)	1	\$2,683,000	\$894,333.33	\$5,141,895	\$6,036,228.33	\$6,036,228.33	\$6,036,228.33	0
Public Posting of Form CC - Initial	Third Party	8	1	0	0		\$0	\$0	\$0 ⁵⁰	0
Public Posting of Form CC - Ongoing	Third Party	8	6			0	\$0	\$0	\$0 ⁵¹	0
CC Recordkeeping	Recordkeeping	8	1	\$8,720	\$2,906.67	\$4,360	\$7,266.67	\$7,266.67	\$58,133.36	0
CC Monthly Reports	Reporting	8	12	\$6,775.58	\$2,258.53	\$3,768.50	\$6,027.03	\$72,324.36	\$578,594.88	0
NMS Plans Amendment	Reporting	19	1	\$9,217.89	\$3,072.63	\$5,377.11	\$8,449.74	\$8,449.74	\$160,545	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 Costs									\$49,389,372.91	

Registration Requirements and Form CC

The respondents to this collection of information are the 8 entities that the Commission estimates may register as competing consolidators. Specifically, the Commission estimates an

⁴⁹ The ongoing burdens for Form CC are reflected in the following line describing Form CC amendments.

⁵⁰ See infra text following note 155.

⁵¹ See infra text following note 155.

initial cost of \$93,590.10⁵² 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.**⁵³ **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 for each respondent of \$934 per response during the first year and \$2,872.05 per response each year thereafter.** **This would result in an estimated annual cost of \$1,868 per respondent in the first year and \$17,232 per respondent each year thereafter.**⁵⁴ **This would result in an estimated annual costs for the industry of \$14,944 during the first year and \$137,858.40 each year thereafter.**⁵⁵ 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 8 entities that the Commission estimates may act as competing consolidators. Each entity must collect from the SROs quotation and transaction information for NMS stocks, calculate and generate consolidated market data products, and make available such products to subscribers.

The Commission expects different entities to register as competing consolidators: two market data aggregation firms, one broker-dealer, two entities that currently operate as exclusive SIPs, two new entrants, and one SRO. 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 consolidated market data products, and make available such products to subscribers.

The Commission estimates an initial cost of \$826,750 and an ongoing cost of \$5,141,895 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.

⁵² This number represents each respondent's initial one-time burden of \$93,540.10 + \$50 to access EDFS.

⁵³ \$31,196.70 (initial, one-time cost, annualized over the three-year period) + \$0 (ongoing cost) = \$31,196.70.

⁵⁴ 2 (# of responses per entity during the first year) x \$934 (initial cost annualized per entity per response) = \$1,868; 6 (# of responses per entity each year after the first year) x \$2,872.05 (ongoing cost per entity per response) = \$17,232.30.

⁵⁵ \$1,868 (total annual cost per entity in the first year) x 8 (# of entities impacted) = \$14,944 (total industry costs during the first year); \$17,232.30 (total annual cost per entity in each year after the first year) x 8 (# of entities impacted) = \$137,858.40 (total industry costs in each year after the first year).

This would result in an estimated annual cost of \$5,417,478.33 per respondent⁵⁶ and an estimated annual cost for the industry of \$10,834,956.66.

The Commission estimates an initial cost of \$826,750 and an ongoing cost of \$5,141,895 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 \$5,417,478.33 per respondent⁵⁷ and an estimated annual cost for the industry of \$5,417,478.33.**

The Commission estimates an initial cost of \$1,445,500 and an ongoing cost of \$5,141,895 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 \$5,623,728.33 per respondent⁵⁸ and an estimated annual cost for the industry of \$11,247,456.66.**

The Commission estimates an initial cost of \$2,683,000 and an ongoing cost of \$5,141,895 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 \$6,036,228.33 per respondent⁵⁹ and an estimated annual cost for the industry of \$12,072,456.66.**

The Commission estimates an initial cost of \$2,683,000 and an ongoing cost of \$5,141,895 per year for the SRO that acts as a competing consolidator, for internal programming, legal, and external fees related to collect, consolidate, and aggregate market data. **This would result in an estimated annual cost of \$6,036,228.33 per respondent⁶⁰ and an estimated annual cost for the industry of \$6,036,228.33.**

Competing Consolidators Recordkeeping

The respondents to this collection of information will be the 8 entities that the Commission estimates may act as competing consolidators. Each entity must keep and preserve at least one copy of all documents made or received by it in the course of its business and in the

⁵⁶ \$275,583.33 (initial, one-time cost, annualized over the three-year period) + \$5,141,895 (ongoing cost) = \$5,417,478.33.

⁵⁷ \$275,583.33 (initial, one-time cost, annualized over the three-year period) + \$5,141,895 (ongoing cost) = \$5,417,478.33.

⁵⁸ \$481,833.33 (initial, one-time cost, annualized over the three-year period) + \$5,141,895 (ongoing cost) = \$5,623,728.33.

⁵⁹ \$894,333.33 (initial, one-time cost, annualized over the three-year period) + \$5,141,895 (ongoing cost) = \$6,036,228.33.

⁶⁰ \$894,333.33 (initial, one-time cost, annualized over the three-year period) + \$5,141,895 (ongoing cost) = \$6,036,228.33.

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.**⁶¹ The Commission estimates that there will be 8 competing consolidator respondents. **This would result in an estimated annual cost for the industry of \$58,133.36.**

Competing Consolidators Monthly Reports and Reviews

The respondents to this collection of information will be the 8 entities that the Commission estimates may act as competing consolidators. Each entity must produce monthly reports. The Commission estimates that the initial annual cost per respondent will be \$81,307, and the total initial annual costs for all respondents will be \$650,456.⁶² Accordingly, the Commission estimates that the initial cost per respondent, per response will be approximately \$6,775.58,⁶³ and that the ongoing annual cost per respondent will be \$45,222, and the total ongoing costs for all respondents will be \$361,776.⁶⁴ Accordingly, the Commission estimates that the annual ongoing cost per respondent, per response will be approximately \$3,768.50.⁶⁵ **This would result in an estimated annual cost of \$6,027.03 per respondent.**⁶⁶ The Commission estimates that there will be 8 competing consolidator respondents. **This would result in an estimated annual total cost per respondent of \$72,324.36 and a total cost to the industry of \$578,594.88.**⁶⁷

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⁶¹ $\$2,906.67$ (initial, one-time cost, annualized over a three-year period) + $\$4,360$ (ongoing cost) = $\$7,266.67$.

⁶² See Adopting Release, *supra* note 10, 86 FR at 18718 ($\$80,507$ total initial costs + $\$800$ in external costs = $\$81,307$; $\$644,056$, total cost of all respondents + $\$6,400$ in external costs = $\$650,456$).

⁶³ $\$81,307$ (total initial annual cost for per respondent) / 12 (# of responses per year) = $\$6,775.58$ (initial annual cost per respondent, per response). Correspondingly, the Commission estimates that the initial annual cost per entity, per response, annualized over a three-year period is $\$2,258.53$.

⁶⁴ See *id.* at 18719.

⁶⁵ $\$45,222$ (ongoing annual cost per respondent) / 12 (# of responses per year) = $\$3,768.50$ (annual ongoing cost per respondent, per response).

⁶⁶ $\$2,258.53$ (initial cost per respondent, per response, annualized over a three-year period) + $\$3,768.50$ (ongoing cost per respondent, per response) = $\$6,027.03$ (annual cost per entity, per response).

⁶⁷ $\$6,027.03$ (annual costs per respondent, per response) x 12 (# of responses per year) = $\$72,324.36$; $\$72,324.36$ (total annual cost per respondent) x 8 (# of respondents) = $\$578,594.88$ (total costs of all respondents).

The respondents to this collection of information will be the 19 SROs who are participants in the effective national market system plan(s) for NMS stocks. The respondents must 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 \$9,217.89 and an ongoing cost of \$5,377.11 per SRO participant, for internal legal costs related to preparing the NMS plan amendment. **This would result in an estimated annual cost of \$8,449.74 per respondent.**⁶⁸ **Because the Commission expects the 19 SRO respondents to collectively file one response, this would result in an estimated annual cost for the industry of \$160,545.**

SRO Market Data Collection and Dissemination

The respondents to this collection of information will be 17 SROs. Each SRO must 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.**⁶⁹ 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 \$630,927 in order to build out the current Form CC in the EDFS/SRTS system, which is \$210,309 per year over three years. The Commission previously estimated that it would cost \$750,000 but is revising this estimate downward in light of more recent technology budget planning information.

15. Changes in Burden

The Commission has revised its burden estimate for the collections of information, as summarized in this chart:

Name of Information Collection		Annual Industry Burden/Cost	Annual Industry Burden/Cost Previously Reviewed	Increase (Decrease) in Burden/Cost	Reason for Change
Form CC Amendment		32 initial year; 295.2 thereafter / \$14,944 the first	162.4 / \$75,840.80	164.8 / \$76,961.6	Increased Ongoing Responses (based

⁶⁸ \$3,072.63 (initial, one-time cost, annualized over the three-year period) + \$5,377.11 (ongoing cost) = \$8,449.74.

⁶⁹ (\$23,621.67 initial, one-time cost, annualized over the three-year period) + (\$128,064 ongoing cost) = \$151,685.67.

		year; \$137,858.40 each year thereafter			on further Commission consideration and comments received); corrected initial burden hours
CC Duties and Data Collection					
	2 (market data aggregation firms)	4,106.66 / \$10,834,956.66	1,680 / \$10,065,056.66	2,426.66/769,900	Increased Initial and Ongoing Burden (based on further Commission consideration and comments received)
	1 (broker-dealer)	2,053.33/ \$5,417,478.33	1,680 / \$10,065,056.66	373.33/(4,647,578.33)	Increased Initial and Ongoing Burden; Fewer Respondents (based on further Commission consideration and comments received)
	2 (SIPS)	5,573.33 / \$11,247,456.66	2,280 / \$10,202,556.66	3, 293.33/1,044,900	Increased Initial and Ongoing Burden (based on further Commission consideration and comments received)
	2 (New Entrants)	8,056.66 / \$12,072,456.66	3,480 / \$10,477,556.66	4,576.66/1,594,900	Increased Initial and Ongoing Burden (based on further Commission consideration and comments received)
	1 (SRO)	4,253.33 / \$6,036,228.33	6,960 / \$20,955,113.32	(2,706.67)/(\$14,958,884.99)	Increased Initial and Ongoing Burden; Fewer respondents (based on further Commission consideration and comments received)
Public Posting of Form CC (burden hours)		1.336 initial year; 12 thereafter	8	5.336	Increased Ongoing Burden (based on further Commission consideration and comments received), Fewer respondents
Public Posting of Form CC (cost)		\$0	\$1,927.92	(\$1,927.92)	Removing monetized cost burden
CC Recordkeeping		266.64/\$58,133.36	399.96 / \$87,200.04	(133.32)/(\$29,066.68)	Fewer respondents
CC Monthly Reports		1,712/\$578,594.64	1,116 / \$370,449.99	596/\$208,144.64	Fewer respondents, increased ongoing burden ⁷⁰

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The Annual Industry Burden/Cost for producing the monthly CC reports increased even though there were fewer respondents. This is because the Annual Industry Burden/Cost Previously Reviewed was calculated using an estimate of ongoing burden/cost for one month (11 hours/\$3,768.50). The Annual Industry Burden/Cost in this supporting

NMS Plan Amendment		384.997/\$160,545	2,380 / \$992,460	(1,995.003)/(\$831,915)	Decreased Initial Burden, Increased Ongoing Burden, Fewer Respondents
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The burdens estimated in the Proposing Release were calculated based on the following assumptions that have changed:

- A decrease in the number of competing consolidators from 12 to 8. In particular,
 - the number of SROs decreased from 4 to 1;
 - the number of broker-dealers decreased from 2 to 1; and
 - the SROs will be required to file the Form CC.
- An increase in the number of NMS Plan Participants from 17 to 19.

The effects of those changed assumptions (and others) are discussed below.

a. Form CC Amendment Burdens and Costs

The Commission initially estimated that each competing consolidator would file one material amendment per year and one annual report, for a total of two amendments per year.⁷¹ Based on further consideration and the comments received, the Commission maintained its estimate of two amendments for each competing consolidator in the first year the competing consolidator files amendments but increased its estimate for each competing consolidator in each year following the first year to six amendments per year.⁷²

The Commission also estimated that there would be 12 competing consolidators⁷³ but now has decreased this estimate to eight competing consolidators.⁷⁴ This had no impact on the calculation as it was calculated in the Proposing Release using eight competing consolidators.

No other estimated burdens have changed; however, because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that competing consolidators will incur an ongoing burden of approximately 37 hours per year per respondent and 295 hours per year for the industry.⁷⁵

statement includes the ongoing burden/cost for the entire year (12 months) (132 hours/\$45,222).

⁷¹ See Proposing Release, supra note 3, 85 FR at 16801.

⁷² See Adopting Release, supra note 10, 86 FR at 18708 (adopting the initial burden hour per competing consolidator estimate as proposed without any changes).

⁷³ See Proposing Release, supra note 3, 85 FR at 16808.

⁷⁴ See Adopting Release, supra note 10, 86 FR at 18708.

⁷⁵ See supra notes 24 and 25.

With respect to costs to respondents, the Commission initially estimated that each competing consolidator would incur an ongoing burden of \$5,744.10 per year in connection with amending the Form CC.⁷⁶ The Commission reached this estimate by calculating the ongoing burden per response as \$2,872.05 and multiplying it by its initial estimate that each competing consolidator would file two amendments per year. While the ongoing burden per response has not changed, the Commission's estimated number of amendments filed by each competing consolidator in each year after the first year has increased from two to six. Therefore, the Commission's estimate of the annual ongoing burden to amend the Form CC has increased to \$17,232.30 per year.⁷⁷ As noted earlier, the revised estimated number of respondents is eight competing consolidators. As a result, the Commission now estimates that the total annual cost to the industry is \$137,858.40.⁷⁸

With respect to the initial burden, the Commission erroneously stated in the proposing Supporting Statement that the initial burden per entity per response would be 12 hours. However, the estimated burden in both the proposing and adopting releases per entity per response was 6 hours.⁷⁹ As a result, the Commission estimates that the total annual burden per entity is 4 hours and the total annual burden to the industry is 32 hours.⁸⁰

b. CC Duties and Data Collection

The Commission is increasing its estimated initial costs and associated burden hours for competing consolidators (market data aggregators, broker dealers, SIPs, new entrants, and SROs) to modify their systems to comply with Rules 614(d)(1)-(d)(4). The Commission is increasing its estimated burden hours for Sr. Programmers and Sr. Systems Analysts employed by competing consolidators by three times. The Commission initially believed that competing consolidators would build aggregation systems in a single data center, but the Commission now believes that competing consolidators may build systems for aggregating data in more than one data center.⁸¹ The Commission is increasing the hours for these technical job categories by three times because competing consolidators may potentially build aggregation systems in three data centers and would have to maintain these systems.⁸² The Commission is also increasing its estimated external costs to be incurred by competing consolidators to purchase new technology to upgrade their systems to comply with Rules 614(d)(1)-(d)(4) by three times.⁸³

⁷⁶ See Proposing Release, supra note 3, 85 FR at 16801.

⁷⁷ See supra note 54.

⁷⁸ See supra note 55 and accompanying text.

⁷⁹ See Proposing Release, supra note 3, 85 FR at 16801 and Adopting Release, supra note 10, 86 FR at 18706.

⁸⁰ See supra notes 29 and 31.

⁸¹ See Adopting Release, supra note 10, 86 FR at 18710.

⁸² See id.

⁸³ See id.

The Commission is also increasing by three times its estimated ongoing burden hours for Sr. Programmers and Sr. Systems Analysts and external ongoing technology cost estimates for the same reasons (i.e., competing consolidators may potentially build aggregation systems in three data centers, and would have to maintain these systems).⁸⁴

The Commission is also revising its total initial and ongoing burden hour and external cost estimates to reflect a reduction in the number of potential broker-dealers that aggregate market data for internal uses and SRO competing consolidators.

The specific changes in burdens for each category of competing consolidators are further described below:

i. Market Data Aggregator Burdens and Costs

The Commission initially estimated that each market data aggregator would incur an initial burden of 900 hours to modify its systems to comply with Rules 614(d)(1)-(d)(4).⁸⁵ The Commission stated in the Proposing Release that because the systems used by these firms already collect, consolidate, and disseminate more extensive proprietary market data than the data that is provided by the exclusive SIPs, the Commission believed that such firms would not have to extensively modify their systems to comply with Rules 614(d)(1)-(d)(4).⁸⁶ For the reasons discussed in the earlier section (i.e., build and maintain systems in three data centers), the Commission increased this estimate to an initial burden of 2,200 hours.⁸⁷

Also for the reasons discussed earlier, the Commission increased its estimated total ongoing, annual external burden hours incurred by market data aggregation firms, from 540 hours to 1,320 hours per firm.⁸⁸

No other estimated burdens have changed; however, because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that competing consolidators will incur an initial burden of 2,200 hours, or an annualized burden of 733.33 hours, and 1,320 ongoing burden hours⁸⁹ for a total of approximately 2,053.33 hours per year per market data aggregator and 4,106.66 hours per year for the industry.

⁸⁴ See id.

⁸⁵ See Proposing Release, supra note 3, 85 FR at 16802.

⁸⁶ See id.

⁸⁷ See Adopting Release, supra note 10, 86 FR at 18710.

⁸⁸ See Proposing Release, supra note 3, 85 FR at 16805; Adopting Release, supra note 10, 86 FR at 18717.

⁸⁹ See Adopting Release, supra note 10, 86 FR at 18710, 18716.

With respect to costs to respondents, the Commission initially estimated that each market data aggregator would incur a total initial external cost of \$414,250 per market data aggregator.⁹⁰ The Commission estimated that it would cost a market data aggregator \$206,250 in external costs⁹¹ to modify its systems to comply with Rules 614(d)(1)-(d)(4). Additionally, the Commission estimated that an existing market data aggregator would incur initial external costs of \$14,000 to purchase market data from the SROs,⁹² and an additional initial external cost of \$194,000 to co-locate at four exchange data centers.

The Commission increased the estimated costs for a market data aggregator to modify its systems to \$618,750 because it now believes, as noted above, that it would cost more than it initially estimated to purchase the necessary technology to effect such modifications.⁹³ The cost to purchase market data and co-locate at four exchange data centers remained the same. As a result, the Commission now estimates that the initial cost per market data aggregator will be \$826,750.⁹⁴

The Commission initially estimated a total annual ongoing external cost of \$4,894,445 per entity, which it based on estimated annual ongoing external costs of \$123,725 to operate and maintain its systems, \$168,000 to purchase market data from the SROs,⁹⁵ and an additional annual ongoing external cost of \$4,602,720 to co-locate itself at four exchange data centers for each competing consolidator. As noted above, the Commission now believes that competing consolidators will have to maintain aggregation systems in three data centers. As a result, it increased by approximately three times the estimated annual ongoing external costs to operate and maintain its systems, to \$371,175.⁹⁶ The Commission now estimates that total ongoing, annual external costs to each market data aggregator will be \$5,141,895 per year⁹⁷ and the total ongoing annual external cost will be \$10,283,790.⁹⁸ The number of market data aggregation firms remains at two, the same as in the Proposing Release. As a result of the increase in the initial and ongoing burden for a market data aggregator to upgrade and maintain its systems, the

⁹⁰ See Proposing Release, supra note 3, 85 FR at 16802, n.680.

⁹¹ This estimate was based on discussions with a market participant and the Commission's understanding of hardware costs.

⁹² The Commission used the monthly market data access and redistribution fees currently charged by the CTA/CQ SIP and Nasdaq UTP SIP as the basis of this estimate (\$14,000). See id.

⁹³ See Adopting Release, supra note 10, 86 FR at 18710-11.

⁹⁴ See id. at 18711.

⁹⁵ See Proposing Release, supra note 3, 85 FR at 16805.

⁹⁶ See Adopting Release, supra note 10, 86 FR at 18716-17.

⁹⁷ See id. at 18717.

⁹⁸ See id.

Commission now estimates the total annual cost per market data aggregator to be approximately \$5,417,478.33, and \$10,834,956.66 for two market data aggregators.⁹⁹

ii. Broker-Dealer Burdens and Costs

The Commission initially estimated that each broker-dealer would incur an initial burden of 900 initial burden hours to modify its systems to comply with Rules 614(d)(1)-(d)(4).¹⁰⁰ The Commission estimated that the initial burden hour and external costs estimates for broker-dealers to modify their systems to comply with Rules 614(d)(1)-(d)(4) would be similar to market data aggregation firms because, for both types of respondents, the scope of the systems changes and costs associated with becoming competing consolidators would be comparable.¹⁰¹ For the reasons discussed above (*i.e.*, build and maintain systems in three data centers), the Commission increased this estimate to an initial burden of 2,200 hours.¹⁰² Also for the reasons discussed earlier, the Commission is increasing its total ongoing, annual external burden hours incurred by broker-dealer, from the proposed estimate of 540 hours to 1,320 hours per firm.¹⁰³ Additionally, the Commission reduced its estimate of the number of potential competing consolidators that are broker-dealers that aggregate market data from two to one. No other estimated burdens changed; however, as a result of the changes, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that a broker dealer will incur an initial burden of 2,200 hours, or an annualized burden of 733.33 hours and 1,320 ongoing burden hours for a total of approximately 2,053.33 hours per year for a broker dealer.¹⁰⁴

With respect to costs to respondents, the Commission initially estimated that each broker dealer would incur a total initial external cost of \$414,250.¹⁰⁵ The Commission estimated \$206,250 in external costs to modify its systems to comply with Rules 614(d)(1)-(d)(4).¹⁰⁶ Additionally, the Commission estimated that a broker dealer would incur initial external costs of \$14,000 to purchase market data from the SROs, and an additional initial external cost of \$194,000 to co-locate at four exchange data centers.¹⁰⁷ As described earlier, the Commission increased the estimated costs for a broker dealer to modify its systems to \$618,750 as it now

⁹⁹ See supra note 56 and accompanying text; \$5,417,478.33 (total annual cost per respondent) x 2 (# of respondents) = \$10,834,956.66 (total annual cost for all respondents).

¹⁰⁰ See Proposing Release, supra note 3, 85 FR at 16802.

¹⁰¹ See Adopting Release, supra note 10, 86 FR at 18711.

¹⁰² See id. at 18710.

¹⁰³ See Proposing Release, supra note 3, 85 FR at 16805; Adopting Release, supra note 10, 86 FR at 18716.

¹⁰⁴ See supra note 35 and accompanying text.

¹⁰⁵ See Proposing Release, supra note 3, 85 FR at 16802.

¹⁰⁶ See id.

¹⁰⁷ See id.

believes that it would cost more than it initially estimated to purchase the necessary technology to effect such modifications.¹⁰⁸ The cost to purchase market data and co-locate at four exchange data centers remained the same. As a result, the Commission increased its estimate of the initial cost per broker dealer to \$826,750.¹⁰⁹

The Commission initially estimated a total annual ongoing external cost of \$4,894,445 per entity, which it based on estimated annual ongoing external costs of \$123,725 to operate and maintain its systems, \$168,000 to purchase market data from the SROs, and an additional annual ongoing external cost of \$4,602,720 to co-locate itself at four exchange data centers for each competing consolidator.¹¹⁰ As noted above, the Commission now believes that competing consolidators will have to maintain aggregation systems in three data centers. As a result, it increased by three times the estimated annual ongoing external costs to operate and maintain its systems, to \$371,175.¹¹¹ The Commission now estimates that total ongoing, annual external costs to a broker dealer would be \$5,141,895 per year.¹¹² The estimated cost to purchase market data and co-locate at four exchange data centers remained the same. Additionally, the Commission also reduced its estimate of the number of potential competing consolidators that are broker-dealers that aggregate market data from two to one. As a result of the increase in the initial and ongoing burden for a broker dealer to upgrade and maintain its systems, the Commission now estimates the total annual cost for a broker dealer to be approximately \$5,417,478.33.¹¹³

iii. SIP Burdens and Costs

The Commission initially estimated that each exclusive SIP would incur an initial burden of 1,800 hours to modify its systems to comply with Rules 614(d)(1)-(d)(4).¹¹⁴ For the reasons discussed above (i.e., build and maintain systems in three data centers), the Commission increased this estimate to an initial burden of 4,400 hours.¹¹⁵ Also for the reasons discussed earlier, the Commission increased its total ongoing, annual external burden hours incurred by exclusive SIPs from the proposed estimate of 540 hours to 1,320 hours per firm.¹¹⁶ No other estimated burdens have changed; however, because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that competing

¹⁰⁸ See Adopting Release, supra note 10, 86 FR at 18710.

¹⁰⁹ See id. at 18711.

¹¹⁰ See Proposing Release, supra note 3, 85 FR at 16805.

¹¹¹ See Adopting Release, supra note 10, 86 FR at 18717.

¹¹² See id.

¹¹³ See supra note 57 and accompanying text.

¹¹⁴ See Proposing Release, supra note 3, 85 FR at 16803.

¹¹⁵ See Adopting Release, supra note 10, 86 FR at 18713.

¹¹⁶ See Proposing Release, supra note 3, 85 FR at 16805; Adopting Release, supra note 10, 86 FR at 18716.

consolidators will incur an initial burden of 4,400 hours,¹¹⁷ or an annualized burden of 1,466,67 hours and 1,320 ongoing burden hours for a total of approximately 2,786.66 hours per year per exclusive SIP and 5,573.33 hours per year for the industry.

With respect to costs to respondents, the Commission initially estimated that each exclusive SIP would incur \$412,500 in external costs to modify its systems to comply with Rules 614(d)(1)-(d)(4).¹¹⁸ Additionally, the Commission estimated that an exclusive SIP would incur initial external costs of \$14,000 to purchase market data from the SROs, and an additional initial external cost of \$194,000 to co-locate itself at four exchange data centers, for a total initial external cost of \$620,500 per existing exclusive SIP.¹¹⁹ The Commission approximately tripled the estimated costs for an exclusive SIP to modify its systems to \$1,237,500¹²⁰ because, as explained earlier, it now believes that it would cost more than it initially estimated to purchase the necessary technology to effect such modifications. The cost to purchase market data and co-locate at four exchange data centers remained the same. As a result, the Commission now estimates that the initial total external cost per exclusive SIP would be \$1,445,500.¹²¹

The Commission initially estimated a total annual ongoing external cost of \$4,894,445 per entity, which it based on estimated annual ongoing external costs of \$123,725 to operate and maintain its systems, \$168,000 to purchase market data from the SROs, and an additional annual ongoing external cost of \$4,602,720 to co-locate itself at four exchange data centers for each competing consolidator.¹²² As noted above, the Commission now believes that competing consolidators would have to maintain aggregation systems in three data centers. As a result, it increased by three times the estimated annual ongoing external costs to operate and maintain its systems, to \$371,175.¹²³ The Commission now estimates that total ongoing, annual external costs to each exclusive SIP will be \$5,141,895 per year.¹²⁴ The cost to purchase market data and co-locate at four exchange data centers remained the same.

The number of exclusive SIPs remains at two, the same as in the Proposing Release. As a result of the increase in the initial and ongoing burden for an exclusive SIP to upgrade and

¹¹⁷ See Adopting Release, supra note 10, 86 FR at 18711.

¹¹⁸ See Proposing Release, supra note 3, 85 FR at 16803.

¹¹⁹ See id.

¹²⁰ See Adopting Release, supra note 10, 86 FR at 18713.

¹²¹ See id.

¹²² See Proposing Release, supra note 3, 85 FR at 16805.

¹²³ See Adopting Release, supra note 10, 86 FR at 18716-17.

¹²⁴ See id. at 18717.

maintain its systems, the Commission now estimates the total annual cost per exclusive SIP to be approximately \$5,623,728.33, and \$11,247,456.66 for two exclusive SIPs.¹²⁵

iv. New Entrant Burdens and Costs

The Commission initially estimated that each new entrant would incur an initial burden of 3,600 hours to build systems to comply with Rules 614(d)(1)-(d)(4).¹²⁶ For the reasons discussed above (*i.e.*, build and maintain systems in three data centers), the Commission increased this estimate to an initial burden of 8,800 hours.¹²⁷ Also for the reasons discussed earlier, the Commission increased its estimate of the total ongoing, annual external burden hours incurred by a new entrant from the proposed estimate of 540 hours to 1,320 hours per firm.¹²⁸ No other estimated burdens have changed; however, because of the changes described above, some of the estimated aggregated burdens changed. Now the Commission estimates that each new entrant consolidators will incur an initial burden of 8,800 hours,¹²⁹ or an annualized burden of 2,933.33 hours and 1,320 ongoing burden hours for a total of approximately 4,253.33 hours per year per new entrant and 8,506.66 hours per year for the industry.¹³⁰

With respect to costs to respondents, the Commission initially estimated that each new entrant would incur \$825,000 in external costs to build systems to comply with Rules 614(d)(1)-(d)(4).¹³¹ Additionally, the Commission estimated that a new entrant would incur initial external costs of \$14,000 to purchase market data from the SROs, and an additional initial external cost of \$194,000 to co-locate itself at four exchange data centers, for a total initial external cost of \$1,033,000 per new entrant.¹³² For the reasons described earlier, the Commission increased to \$2,475,000 its estimated cost for a new entrant to modify its systems as it now believes that it would cost more than it initially estimated to purchase the necessary technology to effect such modifications.¹³³ The cost to purchase market data and co-locate at four exchange data centers

¹²⁵ See *supra* note 58 and accompanying text; \$5,623,728.33 (total annual cost per respondent) x 2 (# of respondents) = \$11,247,456.66 (total annual cost for all respondents).

¹²⁶ See *Proposing Release*, *supra* note 3, 85 FR at 16803.

¹²⁷ See *Adopting Release*, *supra* note 10, 86 FR at 18714.

¹²⁸ See *Proposing Release*, *supra* note 3, 85 FR at 16805; *Adopting Release*, *supra* note 10, 86 FR at 18717 (estimating that the total ongoing, annual external burden hours to be incurred by the estimated two new entrants would be 2,640).

¹²⁹ See *Adopting Release*, *supra* note 10, 86 at 18714.

¹³⁰ See *supra* note 37 and accompanying text; 4,253 hours (total annual burden per respondent) x 2 (# of respondents) = 8,506.66 hours (total burden for all respondents).

¹³¹ See *Proposing Release*, *supra* note 3, 85 FR at 16803-04.

¹³² See *id.* at 16804.

¹³³ See *Adopting Release*, *supra* note 10, 86 FR at 18714.

remained the same. As a result, the Commission now estimates that the initial cost per new entrant would be \$2,683,000.¹³⁴

The Commission initially estimated a total annual ongoing external cost of \$4,894,445 per entity, which it based on estimated annual ongoing external costs of \$123,725 to operate and maintain its systems, \$168,000 to purchase market data from the SROs, and an additional annual ongoing external cost of \$4,602,720 to co-locate itself at four exchange data centers for each competing consolidator.¹³⁵ As noted above, the Commission now believes that competing consolidators will have to maintain aggregation systems in three data centers. As a result, it increased by approximately three times the estimated annual ongoing external costs to operate and maintain its systems, to \$371,175.¹³⁶ The Commission now estimates that total ongoing, annual external costs to each exclusive SIP would be \$5,141,895 per year. The cost to purchase market data and co-locate at four exchange data centers remained the same. The number of new entrants remains at two, the same as in the Proposing Release. As a result of the increase in the initial and ongoing burden for a new entrant to upgrade and maintain its systems, the Commission now estimates the total annual cost per new entrant to be approximately \$6,036,228.33, and \$12,072,456.66 for two new entrants.¹³⁷

v. SRO Burdens and Costs

The Commission initially estimated that four SROs may choose to become competing consolidators. The Commission initially estimated that each SRO would incur an initial burden of 3,600 initial burden hours to build systems to comply with Rules 614(d)(1)-(d)(4).¹³⁸ Accordingly, the Commission estimated that the aggregate burden for four SROs would be 14,400 initial burden hours.¹³⁹ For the reasons discussed above (*i.e.*, build and maintain systems in three data centers), the Commission increased its initial burden estimate for each SRO to 8,800 hours.¹⁴⁰ Also for the reasons discussed earlier, the Commission increased its total ongoing, annual external burden hours incurred per SRO from 540 hours (as proposed) to 1,320 hours (as adopted).¹⁴¹ Additionally, the Commission also reduced the number of potential competing consolidators that are SROs four to one. No other estimated burdens changed;

¹³⁴ See *id.*

¹³⁵ See Proposing Release, *supra* note 3, 85 FR at 16805.

¹³⁶ See Adopting Release, *supra* note 10, 86 FR at 18717, n.1526.

¹³⁷ See *supra* note 59, and accompanying text. \$6,036,228.33 (total annual cost per respondent) x 2 (# of respondents) = \$12,072,456.66 (total annual cost for all respondents).

¹³⁸ See Proposing Release, *supra* note 3, 85 FR at 16804.

¹³⁹ See *id.*

¹⁴⁰ See Adopting Release, *supra* note 10, 86 FR at 18715.

¹⁴¹ See Proposing Release, *supra* note 3, 85 FR at 16805; Adopting Release, *supra* note 10, 86 FR at 18717.

Because of the changes described above, some of the aggregated burdens changed. Accordingly, the Commission now estimates that a SRO will incur an initial burden of 8,800 hours, or an annualized burden of 2,933.33 hours and 1,320 ongoing burden hours for a total of approximately 4,253.33 hours per year for a SRO.¹⁴²

With respect to costs to respondents, the Commission initially estimated that each SRO would incur a total initial external cost of \$1,033,000.¹⁴³ The Commission estimated \$825,000 in external costs to build systems to comply with Rules 614(d)(1)-(d)(4).¹⁴⁴ Additionally, the Commission estimated that a SRO would incur initial external costs of \$14,000 to purchase market data from the SROs, and an additional initial external cost of \$194,000 to co-locate at four exchange data centers.¹⁴⁵ The Commission estimated that it would cost four SROs \$4,132,000 in initial external costs in the aggregate to comply with Rules 614(d)(1)-(d)(4).¹⁴⁶

As described earlier, the Commission increased the estimated costs for a SRO to build systems to \$2,475,000 because it now believes that it would cost more than it initially estimated to purchase the necessary technology to effect such modifications. The cost to purchase market data and co-locate at four exchange data centers remained the same. As a result, the Commission now estimates that the initial cost per SRO would be \$2,683,000.¹⁴⁷

The Commission initially estimated a total annual ongoing external cost of \$4,894,445 per entity, which it based on estimated annual ongoing external costs of \$123,725 to operate and maintain its systems, \$168,000 to purchase market data from the exchanges, and an additional annual ongoing external cost of \$4,602,720 to co-locate itself at four exchange data centers for each competing consolidator.¹⁴⁸ As noted above, the Commission now believes that competing consolidators would have to maintain aggregation systems in three data centers. As a result, it increased by three times the estimated annual ongoing external costs to operate and maintain its systems, to \$371,175.¹⁴⁹ The Commission now estimates that total ongoing, annual external costs to a SRO would be \$5,141,895 per year.¹⁵⁰ The cost to purchase market data and co-locate at four exchange data centers remained the same.

¹⁴² 4,253.33 hours (annual burden per entity, per response) x 1 (# of responses per entity) = 4,253.33 hours (total annual burden per entity).

¹⁴³ See Proposing Release, supra note 3, 85 FR at 16804.

¹⁴⁴ See id.

¹⁴⁵ See id.

¹⁴⁶ See id.

¹⁴⁷ See Adopting Release, supra note 10, 86 FR at 18715

¹⁴⁸ See Proposing Release, supra note 3, 85 FR at 16805.

¹⁴⁹ See Adopting Release, supra note 10, 86 FR at 18717, n.1526.

¹⁵⁰ See id.

Additionally, the Commission reduced the number of potential competing consolidators that are SROs that aggregate market data from four to one. As a result of the increase in the initial and ongoing burden for a SRO to upgrade and maintain its systems, the Commission now estimates the total annual cost for a SRO to be approximately \$6,036,228.33.¹⁵¹

c. Public Posting of Form CC

The Commission initially estimated that each competing consolidator would incur an ongoing burden of 0.5 hours per year to ensure when it submits a Form CC amendment, it has posted the correct direct URL hyperlink to the Commission's website. This estimate was based on the estimate that each competing consolidator would file two amendments per year and would incur 0.25 hours per amendment. The Commission adopted the estimated hourly burden per amendment but increased its estimate of the number of amendments each competing consolidator would file per year from 2 to 6 amendments. The Commission now believes a competing consolidator will file five amendments a year, plus the annual report, for a total of six amendments per year. As a result, the Commission now estimates that each competing consolidator would incur an ongoing burden of 1.5 hours per year. The Commission also initially estimated that there would be 12 competing consolidators. The Commission decreased this estimate to eight competing consolidators. No other estimated burdens changed.

Because of the changes described above, some of the aggregated burdens changed. Accordingly, the Commission now estimates that competing consolidators will incur a total ongoing burden of approximately 1.5 hours per year per respondent to amend the Form CC¹⁵² and 12 hours per year for the industry.¹⁵³

With respect to costs to respondents, the Commission initially estimated that the total initial cost for public posting of the Form CC per respondent would be \$120.50, which is \$40.16 when annualized over three years.¹⁵⁴ Likewise, the ongoing cost was estimated to be \$120.50.¹⁵⁵ The Commission is reducing this estimate to zero as it is a monetized estimate of burden hours.

d. CC Recordkeeping Burdens and Costs

The Commission initially estimated that the record keeping requirement would create an initial burden of 40 hours, for a total initial burden of 480 hours for all respondents.¹⁵⁶ The

¹⁵¹ \$6,036,228.33 (annual cost per SRO, per response) x 1 (# of annual responses per SRO) = \$6,036,228.33 (total annual cost per SRO).

¹⁵² 0.25 (ongoing burden hours per respondent per response) * 6 (amendments per year) = 1.5 hours (ongoing burden per respondent)

¹⁵³ See supra note 41.

¹⁵⁴ See Proposing Release, supra note 3, 85 FR at 16805 n. 721.

¹⁵⁵ See id. at 16805-06 n. 723.

¹⁵⁶ See Proposing Release, supra note 3, 85 FR at 16806.

Commission initially estimated the ongoing burden for recordkeeping to be 240 hours for all respondents. These estimates were based on the Commission's estimate of 20 burden hours per respondent and a total of 12 respondents, *i.e.*, competing consolidators.¹⁵⁷ As noted earlier, the Commission decreased its estimated number of competing consolidators from 12 to eight. The Commission now estimates that the competing consolidators will incur a total initial burden of 320 hours and an ongoing burden of 160 hours.¹⁵⁸

No other estimated burdens changed. Because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that competing consolidators will incur an ongoing burden of approximately 266.64 hours per year for the industry.¹⁵⁹

With respect to costs to respondents, the Commission initially estimated that the total initial cost for recordkeeping per respondent would be \$8,720, which is \$2,906.67 when annualized over three years, and \$104,640 for all respondents.¹⁶⁰ The Commission calculated this estimate using its estimate of 480 hours (for all respondents) using a \$218 hourly rate. Likewise, the ongoing cost was estimated to be \$4,360 per competing consolidator and \$52,320 for all competing consolidators.

As noted above, the Commission decreased its estimate of competing consolidators to eight. As a result, the Commission's estimated initial burden for those competing consolidators decreased to 320 hours, its estimated initial decreased to \$69,760, its estimated ongoing burden hours decreased to 160 hours, and its total estimated cost decreased to \$34,880.

Accordingly, the Commission now estimates the industry will incur a total burden of \$58,133.36.¹⁶¹

e. CC Monthly Reports Burdens and Costs

The Commission initially estimated that the average one-time, initial burden to program systems to produce the monthly reports required by Rules 614(d)(5) and (d)(6) would be 246 hours per competing consolidator and so, based on its estimate of 12 respondents, the

¹⁵⁷ See *id.*

¹⁵⁸ 40 hours (initial burden) x 8 (# of respondents) = 320 hours (initial burden). 20 hours (ongoing burden) x 8 (# of respondents) = 160 hours (ongoing burden).

¹⁵⁹ [40 hours (initial burden) / 3 (annualized over three years)] + 20 (ongoing burden hours) = 33.33 hours (total annual burden per respondent) x 8 (# of respondents) = 266.64 hours for all respondents per year.

¹⁶⁰ See Proposing Release, *supra* note 3, 85 FR at 16806.

¹⁶¹ [\$2,906.67 (total initial cost for recordkeeping per respondent, annualized over 3 years) + \$4,360 (ongoing cost)] x 8 (# of competing consolidators) = \$58,133.36.

Commission estimated a total initial burden of 2,952 hours for all respondents.¹⁶² The Commission initially estimated the ongoing burden for the monthly reports to be 132 hours for all respondents, based on 11 burden hours per a respondent and a total of 12 respondents.¹⁶³ As noted earlier, the Commission decreased to eight its estimated number of competing consolidators. The Commission now estimates that the competing consolidators will incur a total initial burden of 1,968 hours and an ongoing burden of 88 hours.¹⁶⁴

No other estimated burdens changed; however, because of the changes described above, some of the aggregated burdens changed. Accordingly, the Commission now estimates that competing consolidators will incur a total annual burden of 214 hours per respondent and a total burden of 1,712 hours per year for the industry.¹⁶⁵

With respect to costs to respondents, the Commission initially estimated that the total initial cost for preparing and making available the monthly reports per respondent would be \$81,307 and \$976,404 in external costs for all respondents. The ongoing cost was estimated to be \$3,768.50 per competing consolidator and \$542,664 for all competing consolidators.

As noted above, the Commission decreased its estimate of competing consolidators from 12 to 8, and as a result, the initial burden hours for those competing consolidators to 1,968 hours, for a revised initial estimated cost of \$644,056 (and a total initial external cost of \$6,400), and the ongoing burden hours were reduced to 1,056 hours, for a total cost of \$361,776.

Accordingly, the Commission now estimates each competing consolidator will incur a total burden across the industry of \$578,594.88.¹⁶⁶

f. NMS Plan Amendment Burdens and Costs

The Commission initially estimated that it would take each SRO approximately 420 hours to prepare the amendment.¹⁶⁷ The Commission estimated that there would be 16 national securities exchanges and one national securities association, for a total of 17 respondents.¹⁶⁸

¹⁶² See id.

¹⁶³ See id.

¹⁶⁴ 246 hours (initial burden per competing consolidator) x 8 (# of respondents) = 1,968 hours (initial burden for all competing consolidators); 11 hours (ongoing burden per respondent) x 8 (# of respondents) = 88 hours (ongoing burden for all respondents).

¹⁶⁵ See supra note 46.

¹⁶⁶ See supra note 70. The cost estimate was revised to include the ongoing burden/cost for the entire year (12 months) (132 hours/\$45,222).

¹⁶⁷ See id. at 16807.

¹⁶⁸ See id.

The Commission now believes that the SROs would file the amendment jointly, rather than each SRO making its own filing. The number of hours it would take to prepare the amendment and the rate for the attorney have not changed. The number of respondents increased to 18 national securities exchanges and one national securities associations, for a total of 19 respondents. As a result of these changes, the Commission now estimates that the total initial burden to the industry to file the NMS Plan Amendment would be 420 hours total for the industry, which decreases the burden per respondent to 22.105 (7.368 hours when annualized over three years).

Additionally, the Commission now believes there will be a total of 245 ongoing burden hours related to the amendment (for maintaining the required timestamps, conducting assessments of competing consolidators, preparing an annual report, maintaining the list of the primary listing exchange for each NMS stock, and calculating gross revenues) for the entire industry,¹⁶⁹ which increases the estimated ongoing burden per respondent by 12.895 hours.¹⁷⁰

Because of the changes described above, some of the aggregated burdens have changed. Accordingly, the Commission now estimates that the SROs will incur an ongoing burden of approximately 20.263 hours per year per respondent and 384.997 hours per year for the industry.¹⁷¹

With respect to costs to respondents, the Commission initially estimated that the total initial cost for recordkeeping per respondent would be \$175,140 and \$2,977,380 for the industry.¹⁷² The Commission reached this estimate based on the estimate of 420 hours for each respondent, and estimate of 17 hours, and a rate of \$417/hour for an attorney.¹⁷³ As noted above, the Commission now believes that the SROs would file the amendment jointly rather than individually. The number of hours it would take to prepare the amendment and the rate for the attorney have not changed. The number of respondents increased to 18 national securities exchanges and one national securities association, for a total of 19 respondents. As a result, the Commission now estimates that the total initial cost to the industry to file the NMS Plan

¹⁶⁹ See Adopting Release, supra note 10, 86 FR at 18719.

¹⁷⁰ $245 \text{ (ongoing burden for the industry)} / 19 \text{ (\# of respondents)} = 12.895 \text{ hours (ongoing burden per respondent)}$.

¹⁷¹ See supra note 47 and accompanying text. $20.263 \text{ hours (total annual burden per respondent)} \times 19 \text{ (\# of respondents)} = 384.997 \text{ hours per year for all respondents}$.

¹⁷² See Proposing Release, supra note 3, 85 FR at 16807.

¹⁷³ See id.

Amendment would be \$175,140.¹⁷⁴ This decreases the initial burden per respondent to \$9,217.80 (\$3,072.63 when annualized over three years).¹⁷⁵

The Commission now believes there would be a total of 245 ongoing burden hours related to the amendment for the entire industry, for a total of \$102,165 estimated ongoing cost to the industry.¹⁷⁶ This increases the ongoing cost per respondent by \$5,377.11.¹⁷⁷ Correspondingly, the Commission now estimates each SRO will incur a total burden of \$8,449.74,¹⁷⁸ and the industry will incur a total burden of \$160,545.¹⁷⁹

16. Information Collection Planned for Statistical Purposes

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

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.

¹⁷⁴ 420 hours (initial burden for the industry) x \$417 (attorney hourly rate) = \$175,140 (total initial industry cost).

¹⁷⁵ \$175,140 (total initial industry cost) / 19 (# of respondents) = \$9,217.89 initial cost per respondent). \$9,217.89 initial cost per respondent) / 3 (annualized over 3 years) = \$3,072.63 (initial cost per respondent annualized over 3 years).

¹⁷⁶ See Adopting Release, supra note 10, 86 FR at 18782.

¹⁷⁷ \$102,165 (ongoing industry cost) / 19 (# of respondents) = \$5,377.11 (ongoing cost per respondent).

¹⁷⁸ See supra note 68, and accompanying text.

¹⁷⁹ \$8,449.74 (total annual cost per respondent) x 19 (# of respondents) = \$160,545 per year for all respondents.