



8011-01p  
SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-72510; File No. SR-NYSEMKT-2014-53)

July 1, 2014

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the Price List to Add Certain charges for Hosting Equipment to Support Internet Connections for Member Organizations Operating on the Floor of the Exchange Starting January 1, 2015

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on June 24, 2014, NYSE MKT LLC (“Exchange” or “NYSE MKT”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the Price List to add certain charges for hosting equipment to support Internet connections for member organizations operating on the Floor of the Exchange. The text of the proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

---

<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

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

1. Purpose

The Exchange proposes to amend the Price List to add certain charges for hosting equipment to support Internet connections for member organizations operating on the Floor of the Exchange.

Currently, a member organization that operates on the Floor must arrange for its own access to an Internet service provider ("ISP"). To provide the service, an ISP must place certain equipment on the Exchange's premises at 11 Wall Street. Currently there is no separate charge related to the Exchange's hosting of such equipment. The Exchange does charge fees for installing and removing data jacks and lines, and member organizations are responsible for paying the ISP's fees.

The Exchange believes that these hosting arrangements are not an efficient use of its space or an efficient or robust way to provide Internet service to member organizations operating on the Floor. As such, the Exchange proposes to provide member organizations operating on the Floor with connections to ISPs at no charge via the Exchange's Secure Financial Transaction Infrastructure ("SFTI"). For such member organizations that choose to use SFTI to connect to their ISP, it will no longer be necessary to host separate ISP equipment at 11 Wall Street and such equipment can be removed. Using SFTI to connect to ISPs also would help avoid the consequences of a service disruption at a single carrier or access point. For example, for a period beginning in October 2013, the Exchange had to temporarily suspend certain rules restricting the

use of personal portable phone devices by Floor brokers on the Trading Floor because the third-party carrier that provided service for the Exchange-provided cell phones experienced an issue that caused a service outage.<sup>3</sup> The proposed rule change would help to avoid such an issue with respect to Internet services because SFTI can connect to multiple ISPs at multiple access points, providing redundancy and resilience in service and improving member organizations' and the Exchange's disaster recovery capabilities.

The Exchange will make the connections to ISPs available via SFTI immediately and provide member organizations with a transition period until December 31, 2014 to have their ISP equipment located at 11 Wall Street removed. If a member organization has not done so by that time, then the Exchange will begin charging \$1,000 per month per member organization per rack for continuing to host the member organization's ISP equipment at 11 Wall Street, or \$600 per month for a half rack or \$400 per month for a quarter rack.<sup>4</sup> The Exchange believes that the proposed charges will incent all member organizations to transition over to the free, more robust service while leaving them the option of maintaining their current service arrangement if they so choose. The Exchange will continue to charge fees for installing and removing data jacks and lines as set forth in the current Price List, and member organizations will remain responsible for paying any fees charged by the ISP.

The proposed change is not otherwise intended to address any other issues, and the Exchange is not aware of any problems member organizations would have in complying with the

---

<sup>3</sup> See Securities Exchange Act Release No. 70696 (October 16, 2013), 78 FR 62802 (October 22, 2013) (SR-NYSEMKT-2013-82).

<sup>4</sup> All NYSE MKT members [sic] organizations are New York Stock Exchange LLC ("NYSE") member organizations. See Supplementary Material .10 to Rule 2 - Equities. NYSE has submitted substantially the same proposed fee change. See SR-NYSE-2014-30. However, because the ISP connection will support a member organization's operations for both SROs, the fee will only be assessed once.

proposed change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>6</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed rule change is reasonable because it will result in a more efficient use in the Exchange's premises and increase the redundancy and resilience in Internet service to member organizations operating on the Floor, thereby improving those member organizations' and the Exchange's disaster recovery capabilities. The proposed change is equitable and not unfairly discriminatory because there would continue to be an option, as there is today, for all member organizations operating on the Floor to obtain a free connection to an ISP. The proposed fees would only apply if, after the transition period, the member organization elected to have a separate ISP connection that would require separate equipment hosting on the Exchange's premises at 11 Wall Street.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

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

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

---

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

In accordance with Section 6(b)(8) of the Act,<sup>7</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address any competitive issues among exchanges or broker-dealers but rather to more efficiently use the Exchange's premises and help to prevent Internet service disruptions from affecting the Floor, thereby improving disaster preparedness.

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

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

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>10</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

---

<sup>7</sup> 15 U.S.C. 78f(b)(8).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78s(b)(2)(B).

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEMKT-2014-53 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSEMKT-2014-53. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the

Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-NYSEMKT-2014-53 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Jill M. Peterson  
Assistant Secretary

[FR Doc. 2014-15815 Filed 07/07/2014 at 8:45 am;  
Publication Date: 07/08/2014]

---

<sup>11</sup> 17 CFR 200.30-3(a)(12).