

FINANCIAL INFORMATION FORUM

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Via Electronic Delivery

March 13, 2015

Mr. Brent J. Fields
Secretary
U. S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Release No. 34-74223, File Number 4-668, Notice of Amendment to the National Market System Plan Governing the Process of Selecting a Plan Processor and Developing a Plan for the Consolidated Audit Trail

Dear Mr. Fields,

The Financial Information Forum (FIF)¹, on behalf of our Consolidated Audit Trail (“CAT”) Working Group (“FIF CAT WG”) would like to take this opportunity to comment on Notice of Amendment to the National Market System Plan Governing the Process of Selecting a Plan Processor and Developing a Plan for the Consolidated Audit Trail (“CAT Selection Process Amendment”). We would like to commend the Plan participants for taking steps to move forward with the selection process in a thoughtful manner. We believe that the CAT Selection Process Amendment reflects input provided by the FIF CAT WG to the SROs via the Development Advisory Group.

In our December 23, 2013 comment letter² on the initial Selection Process NMS Plan, the FIF CAT WG raised concerns regarding the lack of sufficient time for bidders to revise their bids and for the SROs to analyze changes made to those bids. The CAT Selection Process Amendment would address those concerns by initiating the bid revision process prior to CAT NMS Plan approval as well as reducing the number of bids that would need to be analyzed.

In the interest of efficiency, the FIF CAT WG recommends narrowing the list of bidders prior to any revision of bids. Given that the CAT Selection Process Amendment clearly articulates that Plan “Participants have expended substantial effort in analyzing potential solutions for the consolidated audit trail (“CAT”) by gathering and evaluating data and information from a variety of market participants, including Bidders, broker-dealers, vendors, regulators and others,” it seems unnecessary to require all six bidders to revise their bids. At this point there should be sufficient information to take action and narrow the list of bidders. This would be beneficial to both bidders and the SROs by reducing the amount of effort required to revise and analyze revisions to bids.

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

² See letter from Manisha Kimmel, Executive Director, Financial Information Forum to Elizabeth Murphy, Secretary, Commission dated December 23, 2013

Prior to the revision of bids, the FIF CAT WG also recommends that detailed information on OATS, EBS and Large Trader be provided to the narrowed list of bidders. Retirement of these systems is critical to managing the cost of the CAT implementation. Any revision of bids should include a consideration of all required functionality to retire these systems. While the Plan Participants have published preliminary gap analyses on OATS and EBS³ and FIF has published a gap analysis on Large Trader, we believe significantly more detail, especially as it relates to requirements to retire OATS is needed. The current preliminary OATS gap analysis does not itemize the list of additional fields required nor does it address additional linkages that the CAT Processor must support in order to retire OATS. OATS is a complex set of rules and system requirements supported by a 299 page specification that has been developed over the course of more than 15 years. Precise functional requirements for retiring OATS are especially critical for the non-SRO bidders and are imperative for leveling the playing field.

In conclusion, we would like to express our support for the CAT Selection Process Amendment and recommend that:

- The narrowing of bidders precedes any revision of bids.
- Detailed functional requirements that would allow for the retirement of OATS, EBS, and Large Trader are provided to the narrowed list of bidders for consideration as part of their revised bids.

Regards,



Manisha Kimmel
Managing Director
Financial Information Forum

cc: The Honorable Mary Jo White, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Daniel J. Gallagher, Commissioner
The Honorable Kara M. Stein, Commissioner
The Honorable Michael S. Piwowar, Commissioner

Stephen Luparello, Director, Division of Trading and Markets
Gary Goldsholle, Deputy Director, Division of Trading and Markets
David S. Shillman, Associate Director, Division of Trading and Markets
David Hsu, Assistant Director, Division of Trading and Markets

³ See <http://catnmsplan.com/GapAnalyses/>