Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Date: 05.01.2022

Re: CTA/CQ/UTP Plan Fee Amendments, Release No. 34-93625; File No. SR-CTA/CQ-2021-03

Dear Ms Countryman,

Norges Bank Investment Management ("NBIM") appreciates the opportunity to comment on the proposed CTA/CQ/UTP Plan Fee Amendments. We welcome the progress on the implementation of the Market Data Infrastructure Rule, recognising the need to reform and modernise the market data infrastructure of US equity markets. We have earlier expressed our broad support for the Securities and Exchange Commission's (SEC's) Market Data Infrastructure Rule[1].

NBIM is the investment management division of the Norwegian Central Bank ("Norges Bank") and is responsible for investing the Norwegian Government Pension Fund Global (the "fund"). NBIM is a globally diversified investment manager with assets valued at NOK 10,914 billion (USD 1.273 trillion) as of December 31, 2020, of which NOK 3,336 billion (USD 389 billion) was invested in US listed equities. We have a vested interest in a regulatory environment that promotes well-functioning markets in financial instruments, facilitates the efficient allocation of capital and risk, and promotes long-term economic growth. Such an environment requires balancing the interests and incentives of various types of market participants, ensuring a level playing field in financial markets.

In our earlier comment letter, we expressed the view that the impact of the Market Data Infrastructure Rule should be assessed on three distinct dimensions – the expansion of the content of consolidated market data feeds, the introduction of competition in the provision of consolidated market data feeds, and the pricing power of exchanges as data providers to the consolidated market data feeds. In our view, the fee amendment as proposed would have a negative impact on the second and third of these dimensions.

We argued that the pricing power of exchanges differs across market participant types. For latency-sensitive market participants, exchange data feeds are complements, giving rise to

[1] See https://www.sec.gov/comments/s7-03-20/s70320-7422691-219826.pdf

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pricing power by exchanges. For less latency-sensitive market participants, such as ourselves, exchange data feeds can be substitutes, subject to no-arbitrage bounds. This differentiation in pricing power will continue under the new Market Data Infrastructure Rule since latency will continue to be an issue.

From this perspective, we question the appropriateness of basing the pricing of consolidated feed (a product attractive mostly to less latency-sensitive market participants) on the value of direct feeds (attractive to latency-sensitive market participants). We consider it unlikely that latency-sensitive market participants will view the consolidated feed a credible substitute for direct feeds, even after the reforms introduced by the Market Data Infrastructure Rule. We believe that consolidated market data pricing should not be allowed to diminish the benefit to the broader market structure, in particular the potential for better evaluation of broker/dealer best execution obligations.

In our earlier comment letter, we also argued that the benefit of competitive, geographically dispersed consolidated market data providers would be substantial to asset managers such as ourselves. Processors located at the same data centre as most institutional broker/dealers would provide a consolidated market data feed that is uniquely useful for asset managers. Such a feed would enable a more accurate monitoring of the best execution efforts of the broker/dealers that we employ as agents. This has the potential to improve the outcome for investors through lower market impact costs.

From this perspective, ensuring the competitive viability of geographically dispersed consolidated market data providers is critical. We view the proposed fee schedule, including the imposition of redistribution fees on competing processors, as inimical to this viability.

We appreciate to have had the opportunity to comment on this proposed amendment to the CTA/CTQ/UTP plans and welcome any further questions or discussion.

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