VIA ELECTRONIC MAIL

June 18, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Proposed Rule on Market Data Infrastructure (Release No. 34-88216; File No. S7-03-30, RIN 3235-AM61)

Dear Ms. Countryman:

On behalf of our member companies, TechNet respectfully urges the Securities and Exchange Commission ("SEC" or "Commission") not to adopt the Proposed Rule on Market Data Infrastructure at this time or in its current form. TechNet has a strong interest in policies and rule-making affecting publicly-traded companies and their investors. We believe the proposed rule-making could harm TechNet members that issue publicly-traded securities and that the Commission lacks a complete understanding of the potential risks and harms of this complex and far-reaching proposal.

TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over three million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

TechNet is surprised and disappointed that the Commission failed to grant, or even acknowledge, the request by TechNet and a dozen other parties to extend the comment period for this proposal. TechNet and our members have lacked the ability to comment on the profound risk posed by this proposal due to the calamitous health impacts of COVID-19 and the operational and financial impacts that COVID-19 triggered. Neither TechNet nor its members could reasonably be expected to analyze and comment on a 600-page market structure proposal while focusing on protecting employees, transitioning employees to safer work-from-home conditions, and still maintaining operations to the greatest extent possible. TechNet is at a loss to comprehend the legitimate reason to rush through a rule-making of this magnitude when multiple groups of broker-dealers, exchanges, and issuers have objected.

The concept of "Competing Consolidators" is the most troubling aspect of the Proposed Rule to TechNet and our members.

- ***First***, competing consolidators undermines the bedrock of financial information, the unified national best bid and best offer, that issuers of publicly-traded securities rely on to understand the value of their securities and their enterprises. It is unclear how that price

will be set under a competing consolidator model. It is also unclear whether the prices set by competing consolidators will be reliable, resilient, or well-regulated; and how anomalies and disparities among consolidators will be resolved. The Commission should assess and clarify these and related issues before adopting the competing consolidators model.

- *Second*, competing consolidators increase technological complexity, thereby reducing resilience and increasing risk and aggregate costs. Technological complexity is a concept well understood by our members. The U.S. equities markets are a large, sophisticated, geographically dispersed computing and communications network connecting thousands of participants using widely-varying technology at blindingly fast speeds transacting trillions of dollars of trades for millions of individual investors. The addition of each new competing consolidator — much less twelve competing consolidators — poses exponentially increasing risks. The Commission has not clearly evaluated those risks or undertaken the cost/benefit analysis to determine that those risks are justified.

- *Third*, industry support for competing consolidators is weak. Only 24 comments favored competing consolidators, and nine opposed it. TechNet finds the comments of the nine opponents far more persuasive. Several of those entities have performed consolidation for many years and understand the complexities, risks, and costs inherent in performing them. The only two new entities that claim to be considering launching competing consolidators expressed serious reservations that they could do so successfully under the current proposal. Conversely, the 24 "supporters" offer limited analysis and experience. They seem tepidly and uncritically to assume that the Commission's competitive analysis is correct and that they will save money, hardly a ringing endorsement for a risky, complicated solution.

- *Fourth*, competing consolidators seems likely to undermine effective regulation and investor confidence in U.S. equity market, a cornerstone of their success. TechNet is persuaded by the comments of FINRA and others that multiple competing consolidators and the multiple best bids and offers will confuse and harm public investors and weaken the protections they currently enjoy and value highly.

TechNet and its members regret that we are unable to provide a more thorough analysis of the entire Proposed Rule at this time. Given the time constraints imposed and the challenging conditions imposed by COVID-19 and a deepening recession, TechNet and its members still have only limited capacity to comment substantively on the Proposed Rule. We once again urge the Commission to take these concerns seriously.

Sincerely,

Linda Moore

Linda Moore,
TechNet President and CEO