

The Bank of New York
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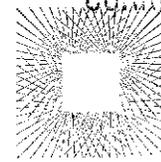
Thomas A. Renyi
Chairman and Chief Executive Officer

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CHAIRMAN'S
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May 31, 2006



The **BANK**
of **NEW YORK**

The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549



Dear Mr. Chairman:

Re: File Number S7-09-05

One of your first actions as Chairman of the Commission, was a successful 5-0 vote to issue a draft Interpretive Release which affirms the use of commissions to pay for investment research. The proposed guidance was published on October 19, 2005. Public comments were solicited through November 25, 2005. The Bank of New York filed comments in support of the Interpretive Release, as have many others. The Commission has been holding the comment period open long past its original deadline and interested parties have continued to file their views.

We believe that the policy conveyed in the Interpretive Release benefits investors, is important to the health of the capital markets, and will help restore confidence to independent research firms who serve the institutional investor. The Release will foster competition and innovation among research sources as a direct result of its explicit treatment of proprietary and independent research under the same rules. As the leading agency broker and the largest provider of independent research in the United States, the Bank applauds this approach.

During the last three years, however, there has been a continuing chill in the market for research, particularly affecting independent research firms, as the institutional buyers of research wait for final guidance from the Commission. Greenwich Associates, which prepares an annual study of commission usage, reports that payments to independent firms have been reduced significantly during these three years.

The purpose of this letter is to repeat our support of the work of the Commission staff and to urge the Commission to issue a final Interpretive Release as soon as possible. We are confident that the Nation's investors, and the businesses which serve them, will benefit as a result.

Sincerely,