

**Congress of the United States**  
**Washington, DC 20515**

August 11, 2010

The Honorable Mary L. Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Release No. 34-61379, File No. S7-03-10, Risk Management Controls for Brokers  
or Dealers with Market Access

Dear Chairman Schapiro:

We appreciate the efforts of the Securities and Exchange Commission (the "Commission") to undertake a comprehensive review of the U.S. equity markets and to propose rules relating to implementing appropriate risk management controls and supervisory procedures for brokers or dealers with market access. We are concerned, however, that the language suggested by the Commission in proposed Rule 15c3-5, which would establish new risk management controls for brokers or dealers with market access, imposes duplicative requirements on certain broker-dealer market access programs. Such duplication will not make markets safer and will only delay access and add costs to investors.

The Commission correctly points out in Release No. 34-61379 (the "Release") the need for appropriate risk management controls, particularly in light of the technological changes that have occurred in the equity markets over the past decade. There has been an increase in direct market access or sponsored access arrangements resulting from these advancements, so it is appropriate that the Commission require consistent risk management controls and supervisory procedures. The Release appears, however, to no longer allow a clearing firm, when providing sponsored access to a U.S. registered and regulated broker-dealer, to rely on such broker-dealer for supervising its business and the conduct of its customers. There is no benefit or systemic risk reduction when both the clearing firm and the sponsored broker-dealer face the same duplicative requirements, as the proposed rule appears to mandate. Of course, if the sponsored entity is not a regulated broker-dealer, and thus not subject to the same regulatory, financial and risk management requirements, then the sponsoring firm should be subject to these requirements.

As the Commission considers finalizing rules relating to these matters, we urge the Commission to avoid imposing duplicative risk management requirements and supervisory procedures for regulated brokers or dealers providing market access. Failure to do so will not reduce systemic risk and will only serve to increase costs, add to regulatory confusion and reduce speed and efficiency.

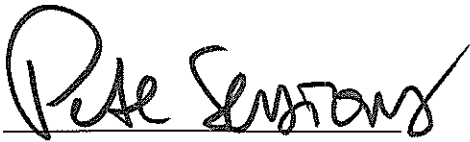
Sincerely,

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Kenny Marchant  
Member of Congress

A handwritten signature in dark ink, appearing to read "Randy Neugebauer", written over a horizontal line.

Randy Neugebauer  
Member of Congress

A handwritten signature in dark ink, appearing to read "Pete Sessions", written over a horizontal line.

Pete Sessions  
Member of Congress

cc: The Hon. Louis A. Aguilar, Commissioner  
The Hon. Kathleen L. Casey, Commissioner  
The Hon. Troy A. Paredes, Commissioner  
The Hon. Elisse B. Walter, Commissioner  
Robert W. Cook, Director, Division of Trading and Markets