



New York State Teachers' Retirement System

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Thomas K. Lee, Executive Director & CIO

May 23, 2018

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: *File Number S7-05-18: Transaction Fee Pilot for NMS Stocks*

Dear Mr. Secretary:

Thank you for the opportunity to comment in support of the proposed transaction fee pilot program on behalf of the New York State Teachers' Retirement System (NYSTRS).

NYSTRS is the second-largest public retirement system in New York and one of the 10-largest public pension funds in the nation. Established in 1921 by the New York State Legislature, the System provides retirement, disability and death benefits to eligible New York State public school teachers and administrators. Serving nearly 265,000 active members and more than 163,000 retirees and beneficiaries, our mission is to provide our members with a secure pension.

As a member of the Council of Institutional Investors (CII), NYSTRS supports CII's comment letter (<https://www.sec.gov/comments/s7-05-18/s70518-3621501-162362.pdf>) views as they relate to the approval of the Securities and Exchange Commission's proposed rule to conduct a Transaction Fee Pilot for NMS Stocks (Proposed Pilot).

Along with CII, NYSTRS approves the stated purpose of the Proposed Pilot to:

Shed light on the extent, if any, to which broker-dealers route orders in ways that benefit the broker dealer but may not be optimal for customers. The data obtained from the proposed Transaction Fee Pilot would inform any possible future regulatory action that addresses these potential conflicts of interest to the ultimate benefit of investors.¹

Once again, we thank you for the opportunity to comment in support of the proposed Transaction Fee Pilot. We hope that the broad scope of the Pilot will yield usable data that can be used to test how lower access fees, and a lack of rebates, would impact market quality and marketplace behavior.

Sincerely,

Handwritten signature of Thomas K. Lee in black ink.

Thomas K. Lee
Executive Director and CIO

Handwritten signature of Frederick W. Herrmann in black ink.

Frederick W. Herrmann, CFA
Managing Director of Public Equities

Handwritten signature of David P. Tessitore in black ink.

David P. Tessitore
Head of Equity Trading

¹ 83 Fed. Reg. at 13,039