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Louisiana Trustee Education Council (LATEC)

May 23, 2018

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

RE: Transaction Fee Pilot (File No. S7-05-18)

Dear Mr. Secretary:

The Louisiana Trustee Education Council (LATEC) submits this comment letter to express our support for the Transaction Fee Pilot for National Market System (NMS) Stocks proposed by the Securities and Exchange Commission (SEC).

The Louisiana Trustee Education Council is a non-profit organization based in the State of Louisiana, and was established in 2004 to encourage and facilitate the education of its trustee membership in all matters related to their duties as the holders of trust assets by those bearing a fiduciary responsibility for such assets. LATEC develops and conducts educational programs and networking opportunities among trustees, administrators and staffs of pension funds designed to foster and maintain the level of expertise demanded of fiduciaries under applicable law, so that they may better serve their members and their respective pension funds.

I am writing on behalf of LATEC as a non-profit, nonpartisan association of public pension plans, ERISA and other employee benefit plans, primarily of state and local entities in Louisiana, charged with investing public funds, with combined assets under management exceeding \$40 billion and representing 350,000 Louisiana employees and retirees. Approximately half of those assets are invested in publicly traded equity securities.

The purpose of this letter is to express our enthusiastic support for prompt approval of the Securities and Exchange Commission's (SEC) proposed rule to conduct a Transaction Fee Pilot for NMS Stocks (Proposed Pilot). The long-term nature of our investments and liabilities, and our responsibilities as a fiduciary to our members, drive our interest in rules and regulations that govern the securities markets.

A controversial element of this complex market structure is the practice of exchanges paying rebates to broker members for order flow. These pricing schemes, as well as other fee incentives, have been generally criticized by a wide spectrum of asset managers, pension funds, members of Congress, academics and policy makers, including SEC Economists, based on the potential conflict of interest it creates between brokers and their investor clients.

We applaud the Commission for acknowledging this conflict and proposing the Pilot as a necessary and appropriate step to study the effects that these incentives have on broker order routing, execution quality, and market quality overall.

Finally, in order to maintain the integrity of the pilot, companies should not have the option to opt out. As evidenced in the comment process, the asset manager / asset owner community is heavily supportive of such a pilot. This should provide the necessary confidence to all public companies to be included. We support the proposed SEC Pilot, as written, and would encourage the SEC to take the necessary steps to implement it as soon as possible.

Thank you for the opportunity to comment on the review process.

Sincerely,



Frank L. Jobert, Jr.
Executive Director