



2455 Paces Ferry Rd. N.W. • Atlanta, GA 30339

June 29, 2018

Via E-mail ([rule-comments@sec.gov](mailto:rule-comments@sec.gov)) & UPS

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

Re: File No. S7-05-18  
Transaction Fee Pilot for NMS Stocks, Securities Exchange Act Release No. 82873  
(March 14, 2018), 83 FR 13008 (March 26, 2018)

Dear Mr. Fields:

The Home Depot appreciates the opportunity to submit comments to the Securities and Exchange Commission (the "Commission") regarding the Commission's proposal to adopt the Transaction Fee Pilot under proposed Rule 610T of regulation NMS ("the Pilot"). We are concerned about the repercussions of this Pilot and respectfully request to be excluded from it.

We acknowledge that U.S. market structure is already very fragmented and complex. And while we support market structure reform, we oppose changes that would create economic inequality for investors or that reduce the relative attractiveness of one stock over another. As currently proposed, we believe that the SEC's Pilot will only serve to increase complexity, reduce visibility and promote further fragmentation in the market, with more trades likely moving to dark pools and further diminishing the price discovery benefits of lit trading activity.

Specifically, our concerns are threefold:

First, per the Commission website, "[t]he mission of the U.S. Securities and Exchange Commission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation." The implementation of a Transaction Fee Pilot, consisting of three test groups of publicly-listed stocks with varying degrees of access fees and rebates, would undoubtedly result in economic inequality for investors investing in these test groups versus the control group. In some instances, we are likely to see higher spreads resulting in increased trading costs and reduced liquidity, therefore potentially incentivizing trading away from lit exchanges and further into dark pools. Given the lack of price transparency and regulation in dark pools, and with their exclusion from the proposed Pilot (which would represent excluding nearly 40% of the equity trading market), we struggle to see how this achieves the SEC's goal of fair, orderly and efficient markets.

Second, this proposed Pilot picks winners and losers. Depending on which test group an issuer is included in versus its peer companies or competitors, the Pilot can bifurcate and reduce the relative attractiveness of an issuer as an investment, pegging the issuer at a disadvantage versus the control group or even other test groups given the higher costs, lower liquidity, etc. of being included in the particular test group. In addition, given the size of our market capitalization and float, trading activity in our stock could potentially skew the results of the pilot over the test period which would be detrimental to us, those in our and other test groups and the results of the pilot overall.

Third, to the best of my knowledge, the Pilot was the outcome of an SEC sponsored Equity Markets Strategic Advisory Council, which specifically did not include any input from issuers or issuer advocates (*i.e.*, the lit exchanges like NYSE and Nasdaq). Given the potential negative implications for issuers included in the Pilot, it is difficult for us, and other issuers with whom I have spoken, to understand how this Pilot could be implemented without input from the issuers and exchanges it will directly impact.

We ask you to please consider the concerns of The Home Depot and other issuers regarding the Transaction Fee Pilot and ask that you openly address the concerns stated therein.

Respectfully submitted,



Isabel Janci  
Vice President, Investor Relations

cc: Honorable Jay Clayton, Chairman  
Honorable Michael S. Piwowar, Commissioner  
Honorable Kara M. Stein, Commissioner  
Honorable Robert J. Jackson, Jr., Commissioner  
Honorable Hestor M. Peirce, Commissioner  
Brett Redfearn, Director, Division of Trading and Markets