

August 3, 2018

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

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 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:

Curtiss-Wright Corporation (“Curtiss-Wright”) appreciates the opportunity to submit comments to the Securities and Exchange Commission (the “Commission”) regarding the proposal to adopt the Transaction Fee Pilot under proposed Rule 610T of Regulation NMS (“the Pilot”). We are writing to express our concerns about the repercussions of this Pilot and respectfully request that Curtiss-Wright (NYSE: CW) be excluded from the pilot test groups.

While we support the Commission’s efforts to drive market structure reform, we believe that the implementation of the Pilot as currently proposed would impair market quality by widening spreads in stocks, adding costs for both investors and issuers, and creating economic inequality for investors by reducing the relative attractiveness of one stock over another. This 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 trading activity in the lit exchanges (such as the New York Stock Exchange (NYSE) and Nasdaq).

Specifically, our concerns are as follows:

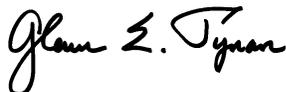
First, the implementation of a two-year, Transaction Fee Pilot program, consisting of three test groups of publicly-listed stocks, each composed of 1,000 listed stocks, would undoubtedly result in economic inequality for investors investing in these test groups versus the control group. Under the currently proposed scope of the Pilot, we are concerned about the effects that variable transaction-based fees and rebates, and changes to those fees and rebates, may have on order routing and execution quality, as well as overall market quality. If adopted as proposed, the test pilot groups would have varying levels of allowable access fees and rebates, while the control group would be subject to the existing regulatory structure. 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, we struggle to see how this achieves the Commission’s goal of fair, orderly and efficient markets.

Second, to the best of our 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). As an NYSE listed company, Curtiss-Wright has received a copy of the comment letter provided to you by Elizabeth K. King, General Counsel and Corporate Secretary, NYSE Group, Inc., dated May 31, 2018. We concur with the concerns raised by the NYSE and encourage the Commission to thoughtfully consider those concerns. Given the potential negative implications for issuers included in the Pilot, it is difficult for us, and other issuers with whom we have spoken, to understand how this Pilot could be implemented without input from the issuers and exchanges it would most directly impact.

Third, this proposed Pilot could complicate the evaluation of peer group metrics as it relates to our financial and trading performance. Depending on which test group an issuer is included in versus its peer companies or competitors, the Pilot can skew the competitive dynamics 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 wider trading spreads, 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.

We ask you to please consider the concerns of the Curtiss-Wright Corporation and other issuers regarding the Transaction Fee Pilot, and kindly request that the Commission excludes Curtiss-Wright from all three of the test pilot groups.

Sincerely,



Glenn E. Tynan  
Vice President & Chief Financial Officer

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