I am a strong advocate of efficient market pricing. Hence, I am very wary of any regulations that interfere with legitimate short selling. The odds in the US stock markets are so skewed to the upside, that even unbridled, non-naked short selling is no match for the huge flow of funds to the long side. As far as the idea of an alternative uptick rule goes, as long as it is implemented with reasonably wide circuit breakers, I don't think the difference between it and the other uptick measures is that significant. Even though it is more onerous to short sellers, the whole idea of circuit breakers is to protect a stock from short sellers once a certain level of decline is reached. As far as using the alternative uptick rule in a market-wide and permanent basis, I am strongly opposed, as I am to any market-wide and permanent uptick rule. But, since it "would restrict short selling to a greater extent than either of the proposed modified uptick rule or the proposed uptick rule" (quoted from the SEC document), if the SEC ultimately does decide to go with a market-wide, permanent uptick rule, I would much prefer the modified uptick rule to the other alternatives.

One last thought. With the raging bull market we have had since April in the US stock markets and given the fact that so many individual investors who sold late into the decline are also late getting back into this bull move, should the SEC be considering a downtick rule for stock purchases in order to slow down the train, apparently driven by the professionals, so that individuals can get in at better pricing? Where does regulation end? Should regulation take sides? Or should markets be left, as best as possible, to operate efficiently, with only the most egregious imbalances addressed?

Thanks,
Mike Wilson