

September 21, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: **Release No. 34-60509; File No. S7-08-09**

Dear Ms. Murphy:

T. Rowe Price Associates, Inc., ("**T. Rowe Price**")¹ welcomes the opportunity to comment on the Securities and Exchange Commission's ("**SEC**" or "**Commission**") proposed follow-up amendment to Regulation SHO as it applies to short selling. We previously provided comments on the Commission's prior release on short sales [**Release No. 34-59748; File No. S7-08-09**] and related issues.

As we noted in our previous letter, we believe appropriate short selling serves a valid purpose and can enhance liquidity and price discovery. However, short selling has also been utilized as a device to manipulate stock prices in an abusive manner and has negatively impacted investor confidence.

We are supportive of the proposed alternative uptick rule, which would permit short selling only at a price above the current national best bid. Unlike previously proposed uptick rules, the alternative uptick rule would not allow short selling at the current national best bid (or last sale price). Instead, in an advancing or declining market, the alternative uptick rule would only permit short selling at an increment above the current national best bid, unless an applicable exception applies.

T. Rowe Price is of the position that the circuit breaker concept does not adequately address the negative implications of unregulated short selling. A circuit breaker merely lessens or delays the impact. Accordingly, we are not supportive of the circuit breaker proposal in either release.

¹ T. Rowe Price Associates, Inc., a wholly-owned subsidiary of T. Rowe Price Group, Inc., together with its advisory affiliates, had \$315 billion of assets under management as of June 30, 2009. T. Rowe Price has a diverse, global client base, including institutional separate accounts, T. Rowe Price sponsored and sub-advised mutual funds, and high net worth individuals. The T. Rowe Price group of advisers includes T. Rowe Price Associates, Inc., T. Rowe Price International, Inc., T. Rowe Price (Canada), Inc., and T. Rowe Price Global Investment Services Limited.

We believe that the proposed alternative uptick rule can be a step in restoring confidence to the market and is a pragmatic choice because of the speed with which it can be implemented and the reduced costs due to the similarity of the proposed rule to prior rules.

Conclusion

We appreciate the Commission's efforts to restore investor confidence to our markets. Please do not hesitate to contact us if we can be of any further assistance to you regarding these matters.

Sincerely,

Michael Gitlin
Head of Global Trading

David Oestreicher
Chief Legal Counsel

Christopher P. Hayes
Sr. Legal Counsel