

LEGAL DEPARTMENT

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June 22, 2010

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

Re: **Release No. 34-61908; File No. S7-10-10**

Dear Ms. Murphy:

T. Rowe Price Associates, Inc. and its affiliated registered investment advisers (collectively, "**T. Rowe Price**")¹ appreciate the opportunity to comment on the Securities and Exchange Commission's ("**SEC**" or "**Commission**") Proposed Rule on the Large Trader Reporting System referenced above (the "**Release**").

We first commend the Commission on this Release. Recent volatility in the marketplace, as exemplified by the unprecedented events of May 6th, has emphasized the need to provide improved regulatory access to trade data in order to detect manipulative trading activities and to analyze significant market events that negatively impact investor confidence in the stock market. We believe that the system proposed is a pragmatic approach to obtain relevant data on trading activity in the US securities markets. As noted in our previous comment letters, equity market structures have been changing rapidly, particularly with the prevalence of electronic trading venues and increasingly complex short-term trading strategies. Regulations must also change to keep up with evolving market practices; however, any significant regulatory changes should only be considered after both empirical evidence and participant commentary is fully vetted. We also suggest that the Commission keep in mind other pending proposals such as the consolidated audit trail, to ensure that the aggregate costs and burdens are weighed against the benefits as these proposals are evaluated for adoption.

¹ T. Rowe Price Associates, Inc., a wholly-owned subsidiary of T. Rowe Price Group, Inc., together with its advisory affiliates, had \$419 billion of assets under management as of March 31, 2010. 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.

DEFINITIONS

We support the Commission's proposed trading activity thresholds triggering applicability of the Rule (i.e., aggregate transactions equal to or greater than (1) two million shares or shares with a fair market value of \$20 million during a calendar day, or (2) either 20 million shares or shares with a fair market value of \$200 million during a calendar month). Further, we agree that REG NMS securities should serve as a reasonable starting point for this reporting regime, but we would support future expansion of the universe of covered securities, as long as this information remains confidential. We do not support, however, the proposal to require the parent company to aggregate the trading activities of all corporate affiliates in all cases. In instances where affiliates do not coordinate their investment decision-making and trading activities, then the requirement to aggregate positions would not be reflective of market realities and may be misleading.

CONFIDENTIALITY OF CLIENT INFORMATION

We applaud the Commission for its focus on the confidentiality issues inherent in these proposed reporting requirements. We fully support the Commission's proposal that the information required to be disclosed on proposed Form 13H, or to be provided in response to a Commission request, would be exempt from disclosure under the FOIA. Our support for the proposal is predicated on the Commission's assurance that policies and procedures will absolutely ensure strict confidentiality from all parties involved, including broker-dealers and the Commission itself.

T. Rowe Price is concerned about the inherent conflict presented due to the fact that broker-dealers are the storage mechanisms for trading statistics. Any leakage of this data, through any channel, would have the potential to significantly negatively impact investment managers and their clients. Any number of parties, including investment manager competitors such as hedge funds or high frequency professional trading firms, would find this information invaluable. Front running of trades based on this information could occur if such information is not well safeguarded. We encourage the Commission to closely watch for any indications of issues in this area.

Although we support the level of detailed disclosure required in Item 2, Schedule 6 (List of Large Trader Accounts) of the proposed Form 13H, we are concerned that the Release does not sufficiently clarify the definition of "accounts". Investment advisers trade through broker-dealers and do not necessarily set-up brokerage accounts for each of its clients. Rather, the broker-dealer may have one account for the investment adviser to trade through on behalf of its clients. We request that the Commission clarify the disclosure requirements in this regard and confirm that in the case of investment advisers, client information is not required to be disclosed. Rather, the account information requested should be limited to the investment adviser's broker-dealer account identifying information, if any.

UPDATING PROCESS

Although we support the Commission's efforts to collect the data required by Form 13H, we are concerned about the time and cost burden required to update the Form via a paper filing process.

Investment managers may add multiple new brokers and accounts each quarter. We strongly believe that full implementation of this reporting regime should be delayed until the Commission is prepared to process both initial and quarterly filings electronically.

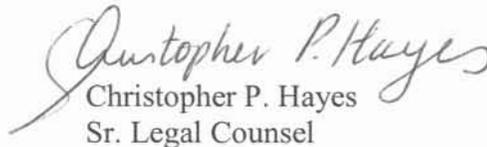
CONCLUSION

We appreciate the Commission's efforts to address market structure issues that can impact all investors, with a focus on long-term investors. Please do not hesitate to contact us regarding the above comments or if we can be of any other assistance regarding matters discussed in the Release.

Sincerely,



David Oestreicher
Chief Legal Counsel



Christopher P. Hayes
Sr. Legal Counsel