



February 7, 2012

Mr. Robert Cook
Director
Division of Trading and Markets
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Consolidated Audit Trail; Release No. 34-62174; File No. S7-11-10

Dear Robert:

On behalf of SIFMA, I would like to thank you and your colleagues for meeting with representatives of SIFMA's Consolidated Audit Trail ("CAT") Working Group on Friday, January 20th to discuss this important regulatory initiative.

As discussed at the meeting and in our previous public comments, SIFMA supports the SEC's objective of providing timely access to a robust, cross-market audit trail for NMS securities and ultimately other securities. However, we continue to have serious concerns about the utility and cost of a real-time reporting requirement.

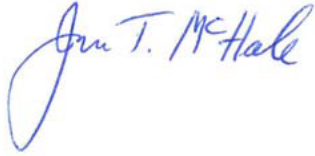
It remains unclear to us what tangible regulatory objectives would be served by requiring this information on a real-time basis, as opposed to an end-of-day or "T + 1" basis, like FINRA's OATS system currently requires. In light of the operational complexities of the U.S. securities markets, real-time order information is inherently incomplete and could even be inaccurate and therefore misleading to the users of the data. Any potential incremental benefit of receiving this information on a real-time basis is, in our view, substantially outweighed by the additional expense and implementation delays associated with building and maintaining a real-time system.

Regarding the governance of the national market system plan ("NMS Plan") contemplated by the proposal, we wish to reiterate that the SEC should provide the broker-dealer industry with an official "seat at the table" alongside the SROs, so that we can review and comment on system requirements as they are being developed and vote on plan amendments going forward.

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We look forward to working with you and your colleagues in the coming months as the CAT rule is finalized and the Commission and the Staff move to the NMS Plan phase of the initiative.

Thank you again for your time, and please feel free to contact me with any questions at (202) 962-7386 or jmchale@sifma.org.

A handwritten signature in blue ink that reads "Jim T. McHale". The signature is written in a cursive style with a large, looping initial "J".

James T. McHale
Managing Director and Associate General Counsel