

**Congress of the United States**  
**Washington, DC 20515**

August 9, 2017

The Honorable Jay Clayton  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington DC 20549

Dear Chairman Clayton:

We write to you to express our interest in a recently proposed rule change by Bats BZX Exchange, Inc. ("BZX") to add an alternative way of conducting the closing auction on U.S. equities exchanges.<sup>1</sup> It is our understanding that this closing auction proposal would allow BZX to accept certain orders in securities listed on other U.S. equities exchanges (e.g., the New York Stock Exchange and Nasdaq) and execute those orders based on a price that is determined by the primary listing market.

We are hearing from a number of public companies that the BZX closing auction proposal pending before the Commission could have an unforeseen effect on the pricing of their companies' shares at the end of the trading day, ultimately harming a critical measure of a company's value and harming its shareholders. These companies are concerned that this proposal will further fragment an already over-fragmented marketplace with no clear benefit to public companies and their main street investors. In addition, they are concerned it will disrupt what these companies view as a critical aspect of listing on a particular listing exchange, namely that one has access to a centralized closing process that the company knows and understands.

During your confirmation hearing before the United States Senate Committee on Banking, Housing and Urban Affairs, you aptly pointed out that "well-functioning capital markets are important to every American." We could not agree more. In light of what we are hearing from public companies, we are concerned that the BZX proposal could disrupt the closing auction process for determining the closing price of listed companies, which today is viewed as an incredibly well-functioning part of the capital markets. Like other fragmentation and complexity issues in our markets, this

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<sup>1</sup> Securities Exchange Act Release No. 80683 (May 16, 2017), 82 FR 23320 (May 22, 2017) (SR-BatsBZX-2017-34).

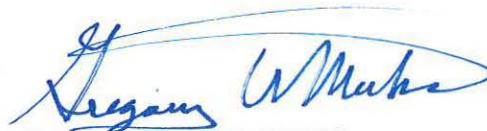
disruption could lead to discouraging Main Street investors from participating and having confidence in our markets.

We encourage you to carefully consider the impacts of the BZX closing auction proposal and whether such impacts are truly necessary and helpful to our public companies. These companies employ millions of Americans, any market structure changes should consider and prioritize their needs first and foremost. We look forward to working with you on this matter.

Sincerely,



SEAN P. DUFFY  
Member of Congress



GREGORY W. MEEKS  
Member of Congress