T. ROWE PRICE ASSOCIATES, INC.

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December 18, 2013

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: **SR-NYSE-2013-72**

Dear Ms. Murphy:

T. Rowe Price[1] opposes the proposals set forth in the U.S. Securities and Exchange Commission's (the "**Commission**") November 21, 2013 Notice of Filing of Proposed Rule Change to Establish an Institutional Liquidity Program on a One-Year Pilot Basis (the **"Proposed Rule"**), itself a response to the November 7, 2013 proposed rule change filed by the New York Stock Exchange LLC ("**NYSE**"). We welcome the opportunity to offer our views on the matters set forth in Proposed Rule.

Increased Market Complexity and Further Blurring of the Lines between Brokers and Exchanges. In essence, we believe the Commission is proposing the creation of a new dark pool (although one could argue that NYSE's proposal contains elements that not even traditional dark pools could entertain), adding to the large volume (over fifty) of venues that already behave similarly in the market. We believe that this proposal is unnecessary. Exchanges were meant to facilitate capital formation for companies and dark pools were narrowly designed to trade large blocks of securities, create anonymity for institutional investors, and price improvement based upon size. We do not see the need to further blur the lines between these roles and believe that doing so will unnecessarily increase market fragmentation and dilute an investor's ability to gauge best execution. Further, the creation of two new order types, the Institutional Liquidity Order ("**ILO**") and the Oversize Liquidity Order ("**OLO**"), will create another layer of quoting, additional messaging, and undue complexity to order routing. Additionally, we question comments that the proposal is designed to attract trading interest in greater size as the minimum of the Oversize Liquidity Order is only 500 shares. In the race for increased market share, exchanges and alternative trading venues continue to create various types of orders to compete for investor order flow. Many of these order types facilitate strategies that can benefit certain market participants at the expense of long-term investors or that are potentially abusive or manipulative.

Continued Segmentation of Clients. The exchange segmentation described in the Proposed Rule further chips away at the exchange mandate to effectively provide fair, equal, non-

[1] T. Rowe Price Associates, Inc., a wholly-owned subsidiary of T. Rowe Price Group, Inc., together with its advisory affiliates, had $647.2billion of assets under management as of September 30, 2013. 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 Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., T. Rowe Price (Canada), Inc., and T. Rowe Price Advisory Services, Inc.

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discriminatory, and open access and reflects a departure from the idea that exchanges are meant to provide interaction among all types of orders. We find NYSE's argument that the Proposed Rule is simply replicating broker-dealer practices that already exist in the OTC markets, and is therefore not discriminating between market participants, to be insufficient.

Indications of Interest. The presence of OLOs in NYSE systems would be reflected in the Liquidity Identifier, a tool disseminated through the Consolidated Quotation System, further allowing the NYSE to compete with broker-dealers for order-flow. However, large institutional investors typically refrain from trading in dark pools that are sending out IOIs and would therefore have little interest in having the NYSE perform this function.

Price Discovery. The NYSE and the Commission have offered the opinion that the rise in off-exchange volume has hurt price discovery. We question whether or not moving more liquidity on exchange, only to then have it trade in non-displayed order types, really encourages lit markets or increased price discovery.

If off-exchange trading is becoming a problem, we feel there are better alternatives to address the issue from both the exchanges and regulators.

We would encourage the NYSE to attract flow back to the lit markets by reducing access fees and thereby eliminating the order routing conflict faced by brokers.

Rather than further muddying the trading landscape and blurring the lines between brokers and exchanges, we would ask the Commission to clearly define the roles of each participant and identify and enforce the material differences to which these platforms were created (*i.e.,* setting a minimum trade size in dark pools and/or implementing a significant price improvement mechanism).

We appreciate the opportunity to provide our comments on this important matter. Should you have any questions regarding our letter, please contact the undersigned.

Sincerely,

Clive Williams
Vice President and Global Head of Trading

Andrew M. Brooks
Vice President and Head of U.S. Equity Trading

Christopher P. Hayes
Vice President and Legal Counsel