

NAST

National Association of State Treasurers

January 31, 2006

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
Station Place
100 F Street NE
Washington, DC 20549-9303

Re: File No. SR-NYSE-2005-77 – Notice of Filing of Proposed Rule Change and Amendment Nos. 1, 2, 3, 4 and 5 Relating to the Exchange's Business Combination with Archipelago Holdings, Inc.

Dear Ms. Morris:

This letter is sent to register the National Association of State Treasurer's support for the proposed merger of the New York Stock Exchange with Archipelago Holdings, Inc. We believe the proposed merger is structured in a manner to safeguard the regulatory and enforcement functions of the New York Stock Exchange, allow the new entity substantial flexibility in responding to capital market trends, both of which are in the long-term interest of the investing public, public investors, and the capital markets as a whole.

The National Association of State Treasurer (NAST) is a membership organization composed of all state treasurers, or state finance officials, from the United States, its commonwealths, territories, and the District of Columbia. As the elected chief financial officers of the states, the state treasurers directly oversee trillions of dollars in state funds. The treasurers are important daily participants in the domestic securities markets, investing state funds in U.S. corporations and small businesses. Based on this role, the state treasurers are at the forefront in addressing concerns about corporate business practices and governance, leading efforts to ensure investor confidence in the stock markets and to increase shareholder value.

The majority of the funds of the states are invested in the domestic equity markets. Earnings from investments are an important source of revenue for state governments. These earnings are used to fund vital public services, to cover public employee retirement obligations, to help families save for college, and to fund beneficial economic development programs, among other uses. In contemporary financial markets, maximizing this source of revenue is a complex and time-consuming undertaking. To make the best use of investable public funds, investors like the state treasurers strive to earn the best returns possible without sacrificing the safety of their funds or subjecting their portfolios to undue risks. State



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treasurers and other public investors must achieve this goal within the constraints of applicable state and federal laws, keeping foremost the overriding principles of safety, liquidity and yield.

In April 2005, Archipelago Holdings, LLC, and The New York Stock Exchange (NYSE) announced that they have entered a definitive merger agreement that will lead to the combined entity, NYSE Group, Inc., becoming a publicly held company. Under the merger agreement, the NYSE and Archipelago will become part of a group under a newly formed for-profit and publicly traded holding company, NYSE Group, Inc. The NYSE and Archipelago will be combined in a “stock for membership” merger in which NYSE members will receive consideration in the form of cash and stock in the new company while Archipelago shareholders will receive stock. Upon the close of this transaction, regulation of NYSE Group, Inc., was shifted to a separate non-public, not-for-profit entity governed by the Chief Regulatory Officer and a board made up of the independent directors.

The National Association of State Treasurers fully supports the merger of Archipelago Holdings, LLC and The New York Stock Exchange. Approval of this merger will result in the businesses of the New York Stock Exchange and Archipelago Holdings to be held under a single publicly traded holding company named NYSE Group, Inc. With the exception of NYSE Regulation, NYSE Group and its subsidiaries will be for-profit entities, rather than not-for-profit entities. The shift to a for-profit entity will increase the NYSE’s capability to invest in its growth internally, through acquisitions, and through a diversification of products, which will give the NSYE Group greater flexibility to respond to competitive pressures globally.

The future location and oversight of the regulatory functions of the Exchange is a key issue in the merger of the two entities. As to the particular issue of the appropriateness of NYSE Regulation remaining part of the NYSE Group, Inc., we believe the rule filing presents a very thoughtful structure designed to ensure the independence of NYSE Regulation, while maintaining its closeness to the market. This structure assures that the for-profit status of the NYSE Group, Inc., does not interfere with NYSE Regulation meeting its duties to investors and other market participants while promoting market-sensitive regulation.

The long-term nature of state investments has made us keenly interested in the proposed merger of the New York Stock Exchange with Archipelago Holdings, LLC. In recent years, the New York Stock Exchange has undertaken efforts to revise its listing standards and corporate governance structures. We believe that the Exchange’s revised listing standards and corporate restructuring were instrumental in addressing the crisis of investor confidence in the nation’s capital markets. The proposed merger, we strongly believe, is consistent with recent steps the Exchange has taken to strengthen its governance and regulatory structures. The merger is beneficial to our nation’s capital market structure, to public fund investors, and to the broader investor and issuer community. Based on the foregoing, we strongly endorse the merger and urge the Commission to grant final regulatory approval as soon as possible.

Thank you for the opportunity to comment on this matter. If you would like to discuss this letter, please feel free to contact me directly. You may reach me at my office in Oregon at (503) 378-4329.

Sincerely,

A handwritten signature in black ink that reads "Randall Edwards". The signature is written in a cursive, flowing style.

Randall Edwards
NAST President
Oregon State Treasurer