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November 29, 2005

Jonathan G. Katz
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303
[E-mail: rule-comments@sec.gov]

Re: *Commission Guidance Regarding Client Commission Practices Under Section 28(e) of the Securities Exchange Act, File No. S7-09-05*

Dear Mr. Katz:

Dow Jones & Company, Inc. appreciates the opportunity to comment on the Securities and Exchange Commission's proposed interpretative release concerning client commission practices under Section 28(e) of the Securities Exchange Act of 1934 (the "Proposed Interpretation"). Dow Jones is a global provider of business news and information. As the publisher of *The Wall Street Journal*, *Barron's*, *Dow Jones Newswires*, *WSJ.com* and other print and electronic news products, including Dow Jones Financial Information Services and Factiva (a joint venture with Reuters), Dow Jones has a vital interest in the dissemination of research information.

We applaud the guidance provided in the Proposed Interpretation on the scope of the safe harbor provided by Section 28(e) of the Exchange Act. The Commission has set forth a three part analysis to determine whether a particular product or service falls with the safe harbor: (1) is the product or service eligible under Section 28(e); (2) does the eligible product or service actually provides lawful and appropriate assistance in the performance of the money manager's investment decision-making responsibilities; and (3) has the money manager made a good faith determination that the amount of client commissions paid is reasonable on light of the value of products or services provided by the broker-dealer? We concur with this analysis, as well as the Commission's determination that the form of research (e.g. electronic or paper) is irrelevant to the analysis of eligibility under the safe harbor.

In addressing the first element above in connection with "research services," the Proposed Interpretation indicates that the money manager must conclude that the product or service constitutes "advice," "analyses," or "reports," each of which "reflects substantive content—that is, the expression of reasoning or knowledge" and relates to the subject matter identified in Section 28(e)(3)(A) or (B). These subject matters include, among other things, issuers, industries, securities, economic factors and trends. Thus, the Commission states "Certain financial newsletters and trade journals...could be eligible research services if they relate to the

subject matter of the statute."[1] Similarly, under the second element, there is a focus on how the money manager uses the eligible research. In order to illustrate application of these elements, we set forth below a summary of some of the products offered by Dow Jones Newswires.

The objective of Dow Jones Newswires' products is to provide real-time information to financial professionals through analysis and insight, proprietary content, and customized information for distinct financial markets. We provide over 12,000 items per day of analysis, commentary and columns. For example, for the equities market, we provide DJ News Service, European Corporate Report, Corporate Filings Alert, among other; and for the foreign exchange market, we offer DJ Foreign Exchange Report and DJ Emerging Markets Report. We also offer highly specialized newsletter and analytic databases used by financial professionals, such as PEA Outlook and DBR Small Cap. The information provided by these reports and services enables financial professionals to make informed trading decisions and undoubtedly makes markets more efficient.

The Commission also solicits specific comment (Question 9) with respect to "mass-marketed publications", which it describes as "publications that are widely circulated to the general public and intended for a broad, public audience." *The Wall Street Journal,* WSJ.com and *Barron's* likely fall into this category. We believe that the three step analysis that the Commission has set forth in the Proposed Interpretation that a money manager must use in determining whether a product or service is eligible under the safe harbor should be equally applicable to "mass marketed publications." The money manager, not the government, should make the decision as to whether particular information provides lawful and appropriate assistance to it in making investment decisions. The publications and website referred to above provide the very type of information--"analyses and reports concerning issuers, industries, securities, economic factors and trends"-- that is specifically mentioned in Section 28(e)(3). Of course, the money manager will need to make a determination as to whether the particular publication has a "mixed use," and, to the extent it does, make the allocation decision required under the Proposed Interpretation. Accordingly, we do not believe that the Commission should provide further guidance with respect to "mass-marketed publications."

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[1] The Commission notes that "The content may be original research or a synthesis, analysis, or compilation of the research of others."

We would be happy to discuss these issues with you further. Please do not hesitate to contact me.

Very truly yours,

Stuart D Karle

Stuart Karle
General Counsel
The Wall Street Journal

cc: Chairman Christopher Cox
Commissioner Cynthia A. Glassman
Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Annette L.Nazareth
Robert Colby, Deputy Director, Division of Market Regulation
Meyer Eisenberg, Acting Director, Division of Investment Management