

January 21, 2005

ANDREW M. SMITH  
President

The Honorable William H. Donaldson  
Chairman  
Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington, DC 20549-0609

RE: File Number: S7-10-04

Dear Chairman Donaldson:

As a company headquartered in the State of New York and listed on the New York Stock Exchange, we are writing to express our concern regarding an alternative proposal recently put forth by the SEC staff as part of Regulation NMS that would effectively create a homogenous government utility in the form of a Consolidated Limit Order Book (CLOB).

This concept was debated, and ultimately abandoned, by the SEC and Congress as recently as 2000, due in part to concerns it would have on the US capital markets. We are particularly troubled by the likelihood that the CLOB proposal will increase price volatility and costs associated with trade execution and capital raising. It is not clear how such adverse impacts upon the investors that support the US capital markets can be justified. This also is a matter of great significance for the American economy broadly, and for us specifically, as the cost of capital directly impacts our ability to invest in jobs, acquisitions and expansion.

The CLOB proposal virtually eliminates inter-market competition. Why would anyone want to eliminate the competition that, for years, has created and sustained the largest and most efficient stock market in the world? Why would anyone want to destroy the market features that reduce price volatility? The US economy, and the impact of outsourcing, were high profile issues during the recent presidential campaign. The practical effect of adopting the CLOB proposal is to "outsource" the US capital markets, severely damaging the US economy.

While we object to the CLOB, we support the 'top of the book' proposal that has been discussed for the past year as part of the Regulation NMS discussion. The top of the book proposal protects the investor's right to best price while promoting inter-market competition and providing the opportunity for price improvement in the auction model.

With everything that has happened lately to shake investor confidence in the markets, we suggest that it makes sense to share a common goal of preserving the competitiveness of the U.S. capital markets, that is the envy of the entire world.

We ask that you and the SEC Commissioners support the 'top of the book' proposal and once again reject the idea of a CLOB.

Sincerely,



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