



June 24, 2004

Jonathan G. Katz
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: File No. ***S7-10-04 Proposed Rule on Regulation NMS***

Dear Mr. Katz:

The Committee on Investment of Employee Benefit Assets (CIEBA) welcomes this opportunity to comment on the Security and Exchange Commission's (SEC) "*Proposed Rule on Regulation NMS (National Market System)*." CIEBA is the voice of the Association for Financial Professionals on employee benefit plan asset management and investment issues. CIEBA members represent 110 of the nation's largest corporate pension funds, managing almost one trillion dollars on behalf of fifteen million plan participants and beneficiaries. CIEBA members are responsible for the management of \$577 billion in defined benefit plan assets and \$366 billion in defined contribution plan assets.

As the fiduciaries for many of the largest corporate pension funds in the United States, CIEBA supports proposals that provide fair and equitable protections to all investors. We are interested in the rules governing the trading of stocks and whether or not those rules will continue to ensure that all investors receive the best price.

The proposed NMS regulation includes a provision that would allow some investors to opt out of trading at the best price in the national market system. We are concerned about this provision.

First, we understand the intent of the SEC to include a certain amount of flexibility within the best pricing requirements. However, it is unclear with the advance of automation why we would need or should allow anything other than the best price requirement for investors. Our constituency is concerned with long-term growth and market stability and the ability to opt out could place long-term investors at a disadvantage.



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Second, in light of the scandals in the securities and mutual fund industries, our first priority should be to restore investor confidence in our capital markets. To allow trading to take place outside of the best price will continue to raise questions of fairness and could diminish investor confidence.

Third, creating one set of rules for the small retail investor and another for the large institutions will fragment the market. A fragmented market is more volatile, making it more costly for most investors to trade.

We believe that the best price principle of the trade-through rule has served investors well for many years. We hope that as you move forward in your deliberations, you will preserve this principle for the sake of our markets and its millions of investors.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Gary A. Glynn".

Gary A. Glynn
Chairman, CIEBA
President, U.S. Steel & Carnegie Pension Fund