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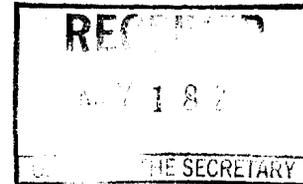
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April 30, 2004

57-10-04

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Mr. William H. Donaldson
Chairman
Securities and Exchange Commission
450 5th St NW
Washington, DC 20549

Dear Mr. Donaldson:

I am writing to express my support for the Securities and Exchange Commission's (SEC) recent proposed National Market System Regulation, and to express my hope that the final rule does not pile regulations on investors who choose to "opt out." Such a move would negate much of the regulation's positive impact on investors.

As a member of the House Committee on Financial Services, I have long fought for less regulation and more investor choice in our national markets. The federal government has neither the legitimate authority, nor the competence, to tell investors how to invest, where to invest, and how to execute their investment decisions. The strength of the free market system is that investors who do not like the choices their brokers make may choose other brokers. Government rules and regulations limiting what brokers may do on behalf of their clients decrease investors' ability to find brokerage services that meet their unique needs. I am, therefore, pleased to see that your proposed rule includes many changes that take the concerns of American investors into account.

Specifically, I believe that the proposed "opt out" provision to the outdated "trade through rule" will give investors greater freedom to make their own decisions on how their trades are executed. Hopefully, this change signals the end of the era "of-one-size-fits-all" regulation. Investors take many factors into account when deciding how and where to execute their trades. Price, speed, certainty, and anonymity of execution all play a part in each investor's trading decisions. Each investor gives these factors different weight depending on that investor's unique needs and circumstance. The outdated "trade through" rule wrongly places one of these criteria above all others by government fiat. Furthermore, it is folly to believe that a government regulation such as the "trade through rule" could meet the unique needs of millions of individual investors. Allowing investors to "opt out" of this restrictive rule and make the decision for themselves is thus a victory for liberty and for efficient markets.

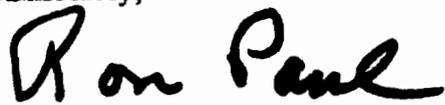
However, I am concerned that the SEC's final rule may burden investors with even more regulations should they choose to "opt out." Freedom to choose should not be made so cumbersome that it is not freedom at all. I urge you and your colleagues on the Commission to

stay the course and truly provide investors with choice in their trading decisions.

While I would prefer that the SEC eliminate this needless regulation entirely and let the market work for itself, I commend you for recognizing that the government does not always know best. Americans can and do make investing decisions for themselves every day. They do not need a paternalistic government interfering with their decisions or forcing them to do what is "right."

In conclusion, I applaud your decision to reduce the government's role in the national market system. I look forward to continuing to work with you to ensure the final rule provides more freedom for investors.

Sincerely,

A handwritten signature in black ink that reads "Ron Paul". The signature is written in a cursive, slightly slanted style.

Ron Paul