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Washington, DC 20515

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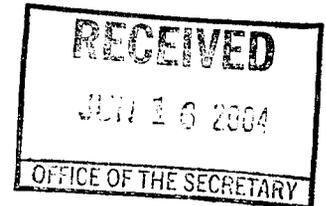
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Mr. William Donaldson
Chairman
U.S. Securities & Exchange Commission
450 Fifth St., NW
Washington, DC, 20549

342

57-10-04



Dear Mr. Donaldson,

I am writing to express my concerns regarding the proposed changes to the New York Stock Exchange's "trade-through rule". As you know, the trade-through rule has served the market well for more than two decades. The core principle is simple: the broker is obligated to get the best price for the investor. By focusing on that core value, the U.S. equity markets have been foremost in the world.

It is my understanding that the SEC is considering a proposal that would allow firms trading on electronic markets to "opt out" of the trade-through rule. These sophisticated traders would argue that speed is their most important consideration rather than getting their clients the best price.

I have serious concerns about the impact this policy would have on the small investor whose faith in the markets has already been jeopardized by a wave of scandals in which insiders reaped tremendous gains at the expense of less sophisticated investors. Such restructuring of the markets is likely to scare away small investors, which are the majority of people who invest in the equity markets.

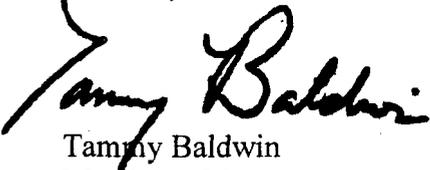
A recent survey by AARP on its membership has revealed that nearly two-thirds of respondents said that price, not speed, is the number one priority when conducting transactions. In fact, brokers' fees were also deemed more important than speed in the survey. And, as you know, the majority of investors are over the age of 50, the precise membership of the AARP.

The same survey found that 62 percent of those surveyed were worried about dishonesty in the investment community, and 57 percent specifically raised concerns about insider trading. I believe any rule modification strengthening the hand of professional traders would only increase those fears.

I believe the "best price standard" embodied in the trade-through rule has served investors well, particularly the vast majority of my constituents who are not professional traders or speculators.

I appreciate your consideration and please do not hesitate to contact me further if I may be of any assistance.

Sincerely,



Tammy Baldwin
Member of Congress

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