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**Paul R. Saueracker**  
Chairman, President &  
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January 12, 2005



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

Dear Chairman Donaldson:

As a company listed on the New York Stock Exchange, I am writing to express my 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 U.S. capital markets. We are particularly troubled that the CLOB proposal will increase volatility and the costs associated with trade execution and capital raising. This is a matter of great significance for the American economy broadly as the cost of capital directly impacts our ability to invest in jobs, R&D, expansion, acquisitions.

The CLOB proposal virtually eliminates inter-market competition. If all displayed orders in any market are executed as if they had been sent to the market with the best price and the most liquidity, no market will have the incentive to invest or innovate to be the best. Rather than working to "build a book" of liquidity, markets will compete on only one dimension: how much they are willing to pay other markets for their order-flow. Further, when liquidity is fragmented across multiple trading venues the cost of raising capital increases impacting issuers and investors alike.

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 investors 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, I think we share a common goal of preserving the competitiveness of the U.S. capital markets, one that is the envy of the entire world.

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

Sincerely

Paul R. Saueracker