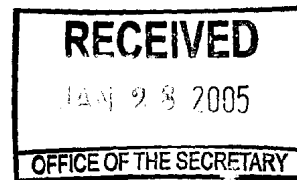


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January 27, 2005

The Honorable William H. Donaldson  
Chairman  
U.S. Securities and Exchange Commission  
450 5<sup>th</sup> Street, N.W.  
Washington, DC 20549

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

Dear Chairman Donaldson:

I am writing to express my personal view about the Securities and Exchange Commission's proposed Regulation NMS. A core part of the proposal contains, as one of two options, a provision that would radically change the structure of the U.S. capital markets and effectively turn our internationally competitive, investor-driven markets into a government utility.

I am generally supportive of the NMS proposal as it impacts minimum tick sizes, access fees, and market data revenues. I also support one of the two trade-through rule options, that which extends top of the book protection across all U.S. markets. But the so called "depth of the book" option for the trade-through rule is, in my view as a professional economist, grossly ill conceived and counter productive. This provision is radical and would slash competition across markets. It also would retard technological progress in the U.S. securities markets by diluting the benefits of innovations by market centers. At a time of innovation, competition, and change in our equities markets, now is the wrong time to layer on ill-conceived regulation such as the depth-of-book proposal.

As an employee of the New York Stock Exchange, I urge you to support the Regulation NMS proposal without the CLOB provision. Thank you for your consideration.

Sincerely,

