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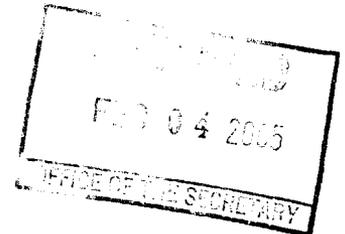
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WILLIAM C. THOMPSON, JR.
COMPTROLLER

January 25, 2005

Mr. William H. Donaldson
Chairman
Securities and Exchange Commission
450 Fifth Street, N.W., Room 6100
Washington, D.C. 20549-0609



Dear Chairman Donaldson:

As New York City's Chief Fiscal Officer, I write to express my concerns regarding the Commission's proposal to implement measures that would significantly alter the structure of the U.S. capital markets by mandating order routing for all prices. It is my belief that this concept is antithetical to the principles that form the basis of our competitive, efficient and investor-driven markets.

The SEC's proposed regulation known as the Voluntary Depth Alternative, utilizes a concept similar to the Consolidated Limit Order Book (CLOB), an idea that was previously considered and rejected by both the Congress and the SEC. The use of an approach similar to CLOB would effectively serve to nationalize the U.S. equities markets and remove incentives for markets to compete with one another. This proposed approach must once again be rejected as inappropriate.

I strongly believe that the SEC and the investing public are better served by protecting the best price in each individual market center. This approach balances competition between markets, preserves market-driven innovation, and ensures the fairest markets for all investors.

I support the SEC's ongoing efforts to preserve the integrity and efficiency of our capital markets and its interest in soliciting comments and input from security industry participants. It is my hope that this cautious and deliberative approach to modernizing our markets will ensure that future regulations are fully considered before being implemented and that only well-founded policies are adopted.

Very truly yours,

William C. Thompson, Jr.