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TLX Trading Network, Inc.
100 Wall street
7th floor
New York, NY 10005

December 18, 2000

Deputy Secretary Mc Farland
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609

Re: File No. SR-DTC-00-¹⁰6, Securities and Exchange Release No 34-43541
File No. 600-32; Securities and Exchange Release No. 34-43540

Dear Deputy Secretary McFarland:

We are writing in response to the Staff's invitation to submit written comments and questions relating to the two filing numbers referenced above. At this time, TLX Trading Network, Inc. is preparing to launch products that will facilitate the industry's efforts to move domestically to a T+1 settlement model. Our universal trade confirmation platform will connect front and back-office domestic and cross-border operations in support of the industry's straight through processing initiatives. Given that this is the core function of our business, the specifics regarding the filings being reviewed by your office for the pending merger of DTC and Thomson Financial ESG ("GJV"), have raised some operational questions we wish to bring to your attention. The questions relate specifically to two core functions currently being supported by DTC under their TradeSuite umbrella of products: TradeMessage and TradeSettle. They are as follows:

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TradeMessage

TradeMessage contains the confirmation and affirmation functionality, which are currently the only formats accepted by DTC on behalf of investment managers and broker-dealers to initiate settlement. Until other vendors are able to enter this market, through SEC approval, and integrate their formats with current broker-dealer processing, they will be required to access DTC through a link built with the GJV. Have rules and guidelines been outlined by the GJV and submitted to the Commission detailing what resources the company will make available to ensure fair access by the vendors to this process? Will there be cost controls put in place by the Commission regarding the fees the GJV will be able to charge the vendors for this access?

TradeSettle

Currently, there are two major settlement instruction databases being utilized by the investment community. The first is the Standing Instruction Database (SID), owned and operated by DTC; the second, ALERT, owned and operated by Thomson ESG. According to our reading of the filing, both of these products will be transferred to the new venture. SID, the core database of the TradeSettle message functionality, was originally developed by the DTC in response to industry demand requesting an alternative, cost effective product choice for housing settlement instructions: Today, all vendors have free, open access to the data contained in SID. With the new venture, will this type of service and access to the settlement instruction information remain available to all vendors? Will the new venture continue to maintain and support SID at the same level it has been supported by DTC prior to the merger? If the two databases are merged and the data in SID, as supported today by the DTC, is no longer available, will there be any limitations or additional costs for the vendors to access the new database on behalf of their clients?

New York
phone 212 747 4700
fax 212 747 0290

Paris
phone 33 1 47 15 58 80
fax 33 1 47 15 58 89

www.TRADINGLINX.com

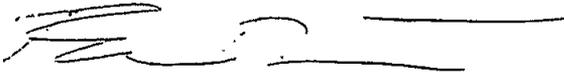
The Depository Trust Company's charter as a not-for-profit organization is to provide the industry with cost effective means of electronically settling security transactions. The Institutional Delivery (ID) functionality (TradeMessage) is the core of this system and provides a neutral network from which all parties to a trade can equally access the settlement process at DTC. In moving the TradeSettle and TradeMessage functionality from a non-profit organization to a for-profit vendor, the vendor community may experience difficulties when integrating their clients to the settlement function. The key question becomes whether these services can be offered by a for-profit vendor without having a significant impact on the fair and open access available to vendors today. From our standpoint, allowing vendors to have open access to functionality and data on behalf of their clients is critical for keeping market competition on equal footing.

If your office needs any additional information or clarification on the matters discussed in this correspondence, please contact Justin Lowe at (212)739-7312. Thank you for your time and consideration in this matter.

Sincerely,



Justin Lowe
Chief Executive Officer, TLX Trading Network, Inc.



Robert Raich
Chief Financial Officer, TLX Trading Network, Inc.

CC : John Bernbach, Chairman of the Board, TLX Trading Network, Inc.

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