



Neal L. Wolkoff
Chairman & Chief Executive Officer

American Stock Exchange
86 Trinity Place
New York, NY 10006-1872
T 212 306 2200
F 212 306 5464
neal.wolkoff@amex.com

February 28, 2006

Ms. Nancy Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington D.C. 20549

Re: Response to Comments in Connection with File No. SR-Amex-2005-072
(iShares® Silver Trust)

Dear Ms. Morris:

The American Stock Exchange, LLC ("Amex" or "Exchange") appreciates this opportunity to respond to comments received by the Securities and Exchange Commission ("Commission" or "SEC") requesting that the Commission not approve the Exchange's proposal to list and trade shares (the "Silver Shares" or "Shares") of the iShares Silver Trust (the "Trust"). At the outset, the Exchange notes that the vast majority of the comments received by the Commission (well over 100 to date) have been overwhelmingly positive in their support for the listing and trading of the Silver Shares. For the reasons provided below, we believe that the introduction of the Silver Shares will serve to benefit investors and the public marketplace.

First, the Exchange believes that the listing and trading of the Silver Shares will make the market for silver more efficient and transparent providing investors with an easier and more cost-effective alternative for investing in silver. In a transparent marketplace as provided for by the Exchange, this allows for a more accurate representation of the supply and demand for silver, and therefore, a more accurate market price. The Silver Shares will be one of many investment vehicles available to allow investors participate in the market for silver. The Exchange submits that the introduction of the Silver Shares should provide investors in silver with an alternative silver investment vehicle that may be a more convenient or cost-effective means for some investors. We believe it is in the best interest of investors and silver market efficiency to offer this additional choice.

Second, although the Exchange is aware of the finite supply of silver worldwide, several commentators have incorrectly assumed that the Trust is akin to a traditional firm-commitment initial public offering whereby the registered number of securities are then listed and traded on the Exchange. On the contrary, the Silver Shares are instead similar to the shares of an exchange-traded fund or mutual fund whereby assets may grow or shrink over time depending on investment demand for the particular exchange

traded fund's underlying benchmark asset. Accordingly, the number of registered shares as set forth in the filed Registration Statement on Form S-1 does not have particular relevance to the potential size of the Trust.

Third, with respect to market concerns, the Exchange has in place several safeguards to ensure that the trading of the Silver Shares is fair and consistent with the operation of a public marketplace and the protection of investors. Surveillance procedures at the Exchange serve to deter and detect potential misconduct and manipulative acts by members and investors. In addition, the Exchange has in place an information sharing agreement with the New York Mercantile Exchange for the purpose of providing information in connection with trading in or related to silver futures contracts. In addition, the Exchange will also review firms that have been actively acquiring or selling Silver Shares. An individual or firm that is acquiring a large position would also be required to disclose this fact consistent with existing securities laws.

The Silver Users Association ("SUA"),¹ Congressman J. Gresham Barrett,² Ferro Corporation³ and CPM Group⁴ (collectively, the "Commentators") all oppose the introduction of the Silver Shares based on the belief that the Trust will severely reduce the amount of silver in the marketplace. We respectfully disagree.

As set forth in the Trust's Registration Statement filed on Form S-1 and the Exchange's Rule 19b-4 filing submitted with the Commission, issuances of the Silver Shares may be made only in Basket Size Aggregations or "Creation Units" (i.e. 50,000 shares or multiples thereof). As a result, the initial amount of silver for a Creation Unit will be 500,000 ounces of silver.⁵ Due to the expenses of the Trust, the amount of silver required for a Creation Unit will decrease over time. At the commencement of trading, the Exchange will require 150,000 shares outstanding (1.5 million ounces of silver will be required to be deposited with the custodian of the Trust). The Trust assets will grow in size only to the extent that investor demand for the Shares require additional Creation Units. On any given business day, the Silver Shares may also be redeemed in Basket Aggregations to allow market participants to remove silver from the Trust's allocated accounts. The continuous ability of market participants to exchange Silver Shares for physical silver should permit the Silver Shares to provide investors with an exchange-traded investment alternative intended to enhance the efficiency of the market for the underlying benchmark asset.

Given the continuous nature of the creation-redemption process for an exchange-traded fund or a mutual fund, the Trust will not issue Shares unless there is investment demand for such Shares. The small minority of commentators that oppose the Trust, fail to understand the continuous offering process. Therefore their comment letters make

¹ See letter dated February 13, 2006 from Paul A. Miller, Executive Director, SUA, to Nancy M. Morris, Secretary, Commission.

² See letter dated February 16, 2006 from Congressman J. Gresham Barrett (3rd District, SC) to Christopher Cox, Chairman, Commission.

³ See letter dated February 2, 2006 from James F. Kirsch, President and Chief Executive Officer, Ferro Corporation, to Nancy M. Morris, Secretary, Commission.

⁴ See Memorandum dated January 30, 2006 from the CPM Group regarding Silver Inventories.

⁵ Each share represents 10 ounces of silver.

erroneous assumptions which overstate the expected investment demand for the Silver Shares. Solely for purposes of calculating the SEC registration fee, the Registration Statement proposes to register 13 million shares upon the commencement of trading. However, upon the commencement of trading only 150,000 Silver Shares will be outstanding as stated above. The Commentators fail to see this distinction.

As described in the Exchange's Rule 19b-4 filing and in the Trust's Registration Statement, the silver industry is made up of many key sectors: mining and producer sector, banking sector, official sector, investment sector, and manufacturing sector. As listed in the Registration Statement, total supply from 1995-2004 for silver averaged 879.2 million ounces on an annual basis. A wide variety of factors are capable of influencing both supply and demand for silver in each of these key sectors. Future prices of silver, and the underlying factors affecting future supply and demand for silver across all of the key sectors of the silver industry are unpredictable. These same factors will have an effect on the silver market including the futures market, the bullion market, the derivatives markets and the market for Silver Shares.

The significant trading of silver in the spot and derivatives markets suggests that the worldwide supply of silver is sufficient to support end-users, producers and investors. The introduction of the Silver Shares will be an additional vehicle for investors to gain exposure in a cost-effective manner. Contrary to the objections of a few Commentators, we believe that the listing and trading of the Silver Shares will benefit the marketplace by providing greater liquidity and investor choice.

In sum, the Amex believes that within prudential regulatory parameters, the marketplace should be the ultimate determiner of whether a product is launched. The concerns of one particular interest group or segment of the marketplace should not dictate or determine whether a product is listed and traded on the Exchange. Although we have seriously considered the comments set forth by the various Commentators (the vast majority of which are supportive of the product), we fervently believe that a product's potential success should be based on the performance in the marketplace rather than any potential or hypothetical concerns of a small number of commentators motivated by their own commercial interests.

* * * *

Ms. Nancy Morris, Secretary
Securities and Exchange Commission
February 28, 2006
Page 4

If you have any questions, please contact the undersigned at 212.306.1000 or Jeffrey P. Burns at 212.306.1822.

Sincerely,

A handwritten signature in black ink, appearing to read "Neal Wolfson". The signature is written in a cursive, somewhat stylized font.

cc: Florence Harmon, Esq.

American Stock Exchange LLC

Exchange Officials 2006

From Member Organizations

| | |
|--------------------|------------------------------------|
| Joseph J. Dattolo | Pershing LLC |
| Richard D. Gueren | Morgan Stanley |
| A. Richard Janiak | Citigroup Global Markets Inc. |
| Michael J. McCarty | Credit Suisse Securities (USA) LLC |
| Mark Millonas | Jefferies Execution Services, Inc. |
| Barry W. Ridings | Lazard Frères & Co. L.L.C. |

From the Exchange Floor

| | |
|------------------------|---------------------------------|
| *Stephen A. Amato, Jr. | PTR, Inc. |
| *Anthony J. Barbieri | Pershing LLC |
| Lawrence M. Berman | Wolverine Trading, LLC |
| David L. Braunlich | DLB Securities L.L.C. |
| Christopher W. Carey | Kellogg Capital Group LLC |
| Robert L. Doelp | LL Partners, Inc. |
| #Lawrence J. Falcone | Trinity Derivatives Group, LLC |
| #Robert B. Fischer | RET Securities Corp. |
| #Matthew H. Frank | Frank Associates, L.L.C. |
| *Jesse A. Greenwald | Weiskopf Silver & Co., L.P. |
| #Eileen M. Halligan | Heights Partners, Inc. |
| Martin J. Handler | Investors' Capital LLC |
| Steven J. Hoffenberg | GHA, L.L.C. |
| #Todd R. Hollander | Jane Street Capital, LLC |
| Matthew J. Joyce | Israel A. Englander & Co., Inc. |
| #Robin A. Katz | Equity Capital Partners LLC |
| #Howard S. Lasher | The Lasher Group, Inc. |
| #Marc J. Liu | AGS Specialists LLC |
| Steven D. Lund | Wolverine Trading, LLC |
| #Michael S. Marchisi | AIM Securities Co. |
| Mark C. Meade | Meade Brokerage Services LLC |
| Joseph N. Morena | Amerivest Partners, LLC |
| Robert F. Morrongiello | AGS Specialists LLC |
| *Edward J. Nangle | TMT East LLC |
| #Robert B. Nunn | Cohen Specialists, LLC |
| #Stephen G. O'Grady | Kellogg Capital Group LLC |
| Paul L. Onderdonk | Susquehanna Investment Group |
| Arthur M. Paladino | Hamilton Executions L.L.C. |

*New appointee

*Senior Floor Official

| | |
|----------------------|--|
| *Robert A. Pellicone | Hamilton Executions L.L.C. |
| *Todd J. Phillips | Goldman Sachs Execution & Clearing, L.P. |
| # Glenn D. Pohn | G Squared Trading, LLC |
| Brian K. Quinn | Millstone Trading L.L.C. |
| *Michael J. Ricci | Popular Securities, LLC |
| *Steven Rodriguez | Liquidpoint, LLC |
| #Andrew Schwarz | AGS Specialists LLC |
| *Armin Silbersmith | AIM Securities Co. |
| *Maureen A. Smaldone | HBH Specialists LLC |
| Gregg L. Stuart | Houdina Investments, L.L.C. |
| Jay Travers | Hamilton Executions L.L.C. |
| Bruce G. Ulriksen | Trinity Derivatives Group, LLC |
| David L. Wetzstein | Headless Horseman Trading LLC |
| #Michael S. Whitman | Stuyvesant Trading Group, L.L.C. |
| *Robert A. Wolfson | Kellogg Capital Group LLC |
| Wayne Wu | Bear Wagner Specialists LLC |
| *Gary Zohn | Hamilton Executions L.L.C. |

2/22/06

*New appointee

*Senior Floor Official