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December 22, 2005

The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F St., N.E.
Washington, D.C. 20002

Dear Mr. Chairman:

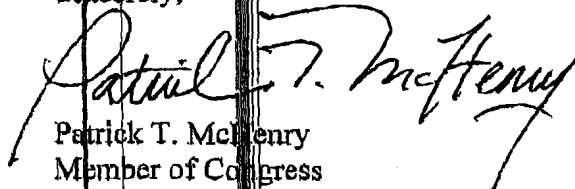
I would first like to express my strong support for the Nasdaq exchange application, and I encourage the Commission to approve this application as expeditiously as is possible. Additional exchanges will benefit the consumer by providing more choices and promoting competition for investors.

I do have some concerns, however, regarding a proposed rule change (Release No. 34-52049; File No. SR-NASD-2005-87) that the NASD filed on July 11, 2005, with the Securities Exchange Commission. This request creates a new NASD subsidiary, the Trade Reporting Facility ("TRF").

Current law requires that exchanges not take credit for trades that do not occur on that exchange. The TRF, however, appears to provide Nasdaq with a means to receive economic benefits from trades that do not have a connection with that market.

I support a level playing field, open to all competitors who qualify. I encourage the Commission to review the NASD proposed change with close scrutiny, and I hope approval of the Nasdaq application consistent with the aforementioned concerns is quickly forthcoming.

Sincerely,


Patrick T. McHenry
Member of Congress