

Geoff Davis  
401 District, Kentucky

Assistant Majority Whip

Washington, DC Office:  
1641 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-3418  
FAX: (202) 225-0763

Congress of the United States  
House of Representatives  
Washington, DC 20515

COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON STRATEGIC FORCES  
SUBCOMMITTEE ON TERRORISM,  
UNCONVENTIONAL THREATS AND CAPABILITIES  
COMMITTEE ON FINANCIAL SERVICES  
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AND GOVERNMENT SPONSORED ENTERPRISES  
SUBCOMMITTEE ON HOUSING AND  
COMMUNITY OPPORTUNITY  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATION

15

February 9, 2006

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

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2006 FEB 16 AM 10:35  
CHAIRMAN'S  
CORRESPONDENCE UNIT

Re: Release No. 34-52049; File No. SR-NASD-2005-087

Dear Chairman Cox:

I would like to express my concerns about a proposed rule change (Release No. 34-52049; File No. SR-NASD-2005-087) filed by the NASD on July 11, 2005, with the Securities and Exchange Commission. This application seeks to create a new NASD subsidiary, the Trade Reporting Facility (TRF).

Current law prohibits an exchange from taking credit for trades that do not occur on its exchange. However, approval of the application creating the TRF would provide Nasdaq with the ability to accrue remuneration for trades that have no connection to its exchange.

I fully support the Nasdaq's application to become an exchange. However, the approval of the TRF would provide Nasdaq with an unfair competitive advantage over other established exchanges.

Thank you for your consideration of my point of view.

Sincerely,

Geoff Davis  
Member of Congress

GD/ar

FORT MITCHELL OFFICE  
277 BUTTERMILK PIKE  
FORT MITCHELL, KY 41017  
PHONE: (859) 429-0950  
FAX: (859) 426-0861

ASHLAND OFFICE  
1435 GREENUP AVENUE, SUITE 23  
ASHLAND, KY 41101  
PHONE: (606) 324-9988  
FAX: (606) 326-8868