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March 1, 2005

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N. W.
Washington, D. C. 20549-0609

RE: SR-NYSE-2004-67 (Extension of Pilot Program Permitting a Floor Broker to Use an Exchange Authorized and Provided Portable Phone on the Floor)

Dear Mr. Katz:

The New York Stock Exchange (the "Exchange") is writing to respond to comments by Inet ATS, Inc. ("INET") made in response to the Commission's solicitation of comments in Securities Exchange Act Release No. 50777 (December 1, 2004) on the above-captioned filing. The above-referenced filing extended the portable phone pilot from November 30, 2004 for an additional four months, until March 31, 2005.

INET's comments on the above-referenced rule filing are misplaced and, as such, offer nothing relevant regarding the subject of the filing. For example, INET's suggestion that any relevant analogy can be made concerning the Exchange's portable phone pilot and the Commission's Regulations ATS or FD, is off the mark as the filing has nothing to do with the institutional dissemination of information. Nevertheless, in order to provide the Commission with useful information regarding the filing, the Exchange submits this response.

Under the Exchange's portable phone pilot, which has been in existence since June 2003, a floor broker may use an Exchange-authorized portable phone to communicate with his/her customers in the same way such broker is permitted to communicate with them via a wired communication device. This enhances the efficiency of the broker, his/her customer, and the market place, by enabling the broker to speak with his/her customer from the point of sale, rather than only from the booth. A customer calling his/her floor broker no longer has to wait for the broker to return to the booth in order to speak with

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him/her. This promotes more timely communications and speeds the ability of the broker to effect executions on the customer's behalf.

The type of information communicated via a portable phone is identical to that communicated via a wired communication device. Such information may include order instructions or changes to previously entered orders, order status, execution information, and market looks. The use of a portable phone (as opposed to a wired communication device) has no impact on the application of Exchange rules to the floor broker's conduct. For example, regardless of the device used for communication, floor brokers must still be qualified by the Exchange to conduct a direct access business before they are permitted to accept orders directly from customers and must comply with all order entry and record-keeping requirements before they may handle such order on the Floor. These rules provide a robust process to help ensure that orders are handled properly and that floor brokers do not engage in improper trading for their own accounts.

Exchange Information Memo 05-5 (Jan. 10, 2005) reminds members that, in the event they become aware of material non-public information about a security, either through an off-floor communication or otherwise, they may not trade while in possession of such information and may not disseminate such information to other members or to non-members. The Exchange requires that members and member organizations have adequate procedures to ensure that the above-referenced provisions are properly complied with.

There are numerous ways interested parties may obtain information regarding securities trading on the Exchange. Clearly, one option is to request a market look from a floor broker. Other sources of information are the Consolidated Tape, NYSE OPENBOOK,[®] and other products mentioned below.

NYSE OPENBOOK[®] provides a real-time view of the Exchange's limit-order book for all NYSE-traded securities. NYSE OPENBOOK[®] lets subscribers see aggregate limit-order volume at every bid and offer price, thus responding to customer demand for more depth-of-market data and raising the NYSE market to an even greater level of transparency. NYSE OPENBOOK[®] is available via an electronic data feed, historical database, or via market data vendor services. Currently, the information on NYSE OPENBOOK[®] is refreshed at five (5) second intervals; however, shortly NYSE OPENBOOK[®] will have real time information.

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NYSE Alerts is an information service from New York Stock Exchange that provides real-time messages regarding certain conditions related to the trading of NYSE-traded securities, including market on close order imbalances, trading delays/halts, price indications, program trading collars, and trading circuit breakers.

Consolidated Trades and Quotes can be obtained through a market data vendor or by connecting directly to the Consolidated Tape via SIAC. SIAC is a service facilitator for the NYSE and the Consolidated Tape Association that oversees the distribution of National Market System market data. The National Market System is composed of Network A (NYSE) and Network B (AMEX and regional exchanges).

Accordingly, the Exchange's portable phone policies are beneficial to floor brokers and their customers and result in enhanced market efficiency. As such, they should be permitted to continue.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Gray", with a long horizontal flourish extending to the right.