



December 6, 2000

**VIA EMAIL, CONFIRMATION  
BY OVERNIGHT MAIL**

Dean Joel Seligman  
Dean and Ethan A. H. Shipley University Professor  
Washington University School of Law  
1 Brookings Drive  
Campus Box 1120  
St. Louis, MO 63130

**Re: Submission to SEC Market Data Advisory Committee**

Dear Dean Seligman:

Pursuant to your October 26 request, we respectfully enclose herewith our recommendation for devising and building an alternative model for collecting and disseminating market information for our national market system.

The blueprint for our model is found in the words and legislative history of the 1975 National Market System Amendments to the Securities Exchange Act of 1934. Therein, Congress laid the principled groundwork for a national marketplace that eschewed fragmentation by requiring symmetrical and equitable market data consolidation and dissemination, though not at the expense and sacrifice of competition and innovation.

Unfortunately, the current model for collecting and disseminating market information reflects all the telltale signs of a legacy model, untouched by competition and innovation, designed for a different place and time. Costly, inefficient, and unfair—and operated under the purview of a poorly-conceived governance structure—it is rare to find a major constituency that genuinely supports the status quo model. Change is in the air.

The cornerstone of our model is competition coupled with a sensible rulebook and high-speed linkage, though all the while not jeopardizing the fundamental goal of consolidation and dissemination of market information. Any viable alternative model must guarantee the latter concept. History in general—and recent history in particular—teaches that an efficient, non-fragmented marketplace can exist and thrive in a

Dean Joel Seligman  
Re: SEC Market Data Advisory Committee  
December 6, 2000  
Page 2

competitive environment. These lessons should be applied to the problems and issues that confront the Committee today.

We believe the time to act is now and that the forces of change are generally aligned. Let us not miss this opportunity.

Thank you for receiving our submission. We look forward to working with the Committee under your steady stewardship.

Very truly yours,

ARCHIPELAGO, L.L.C



---

Gerald D. Putnam  
Chief Executive Officer

Cc: Committee Members (via email only)  
Annette L. Nazareth (via email & overnight mail)  
Robert L. D. Colby (via email & overnight mail)

Encl.