

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

DAVID T. HIRSCHMANN
SENIOR VICE PRESIDENT

May 3, 2007

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WASHINGTON, D.C. 20062-2000
202/463-5609 • 202/955-1152 FAX

The Honorable Chris Cox
Chairman
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: In the Matter of NetCoalition, File No. SR-NYSEArca- 2006-21

Dear Chairman Cox:

The U.S. Chamber of Commerce is the largest business federation in the world, representing the interests of some 3 million companies of all sizes and industries. Flexible and efficient capital formation is critical to economic growth and we are strongly supportive of legal and regulatory policies that make our markets more attractive to businesses and investors. In that regard, the U.S. Chamber of Commerce is acutely aware of how decisions on the structure of our securities markets can facilitate or impede the overall competitiveness of those markets.

All parties would agree that information is the "oxygen" of financial markets. Market efficiency and investor protection depend upon the broad availability of market data. The Chamber has consistently promoted this principle, as indicated by previous public comments on ensuring non-discriminatory access to data and ensuring that market data fees bear a reasonable relationship to cost.¹

Unfortunately, we believe that the SEC may be moving in the wrong direction on both these areas of historic Chamber concern. In recent months, exchanges have issued rules limiting access to data, under processes that did not allow for public comment. Likewise, staff for the SEC's Division of Market Regulation approved fee proposals without the submission of any supporting cost data.

¹ Comment Letter from Chamber of Commerce of the United State on SR-NYSE 2004-43 (September 27, 2004); Comment Letter from Chamber of Commerce of the United States on SR-NYSE-2005-32 (July 22, 2005).

Chairman Chris Cox
May 3, 2007
Page Two

In October, NetCoalition -- a trade association of Internet Service Providers -- filed a petition seeking review of decisions on both access to data and fees for data. NetCoalition argued that the Market Regulation staff had erred in approving one of the exchange's depths of book product. In an unprecedented move, a unanimous Commission granted the petition. The Commission's action appears to be consistent with its 2004 commitment -- made during consideration of Regulation NMS -- that market data is a critical issue that must be dealt with by the Commission in a comprehensive fashion.²

We support the Commission's action on the NetCoalition petition, and further urge the Commission to embrace the opportunity to establish principles that will govern the consideration of other pending and future market data proposals. All participants in this debate deserve a full and fair hearing of their interests -- and to benefit from clear and predictable rules on both fees and non-discriminatory access to information generated by the U.S. capital markets. For this debate to be meaningful, further market data proposals should not be processed until principles governing these decisions are adopted by the Commission.

The Commission on the Regulation of U.S. Capital Markets in the 21st Century -- a recent independent bipartisan commission established by the U.S. Chamber of Commerce -- made reforming and modernizing the federal government's approach to financial markets and market participants a principal recommendation. Our Center for Capital Market Competitiveness is carrying this work forward. Greater transparency and predictability in rule-making is a central goal of our efforts. The process of arriving at fees and ensuring non-discriminatory access to data would benefit from greater transparency and predictability.

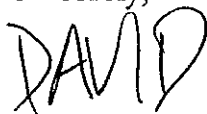
² "Many commenters recommended that the level of market data fees should be reviewed and that, in particular, greater transparency concerning the costs of market data and the fee-setting process is needed. The Commission agrees. To respond to commenters's concerns, it has sought comment on market data fees in its concept release relating to SRO structure." Regulation NMS Release, in text accompanying nn. 580 & 581.

Chairman Chris Cox
May 3, 2007
Page Three

We believe that the SEC should expedite a comprehensive review of market data issues which should include review of both cost and non-discriminatory access to data.

Thank you for consideration of our views.

Sincerely,

A handwritten signature in black ink that reads "DAVID". The letters are in all caps and have a cursive, slightly slanted appearance.

David Hirschmann