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32ND DISTRICT, TEXAS

COMMITTEE ON RULES

SELECT COMMITTEE ON HOMELAND SECURITY

COMMITTEE ON FINANCIAL SERVICES (ON LEAVE)

RESULTS CAUCUS

June 29, 2004



Congress of the United States House of Representatives

☐ 1318 LONGWORTH HOUSE OFFICE BUILDING WASHINGTON, DC 20515–4332 TELEPHONE: 202.225.2231 FAX: 202.225.5878

DISTRICT OFFICE:

PARK CENTRAL VII
12750 MERIT DRIVE
SUITE 1434
DALLAS, TEXAS 75251
TELEPHONE: 972.392.0505
FAX: 972.392.0615
e-mail: petes@mail.house.gov
web page: www.house.gov/sessions/

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JUL 1 5 2004

OFFICE OF THE SECRETARY

Re: File No. S7-10-04

Dear Chairman Donaldson:

Chairman William Donaldson

Washington, D.C. 20549-0001

450 Fifth Street NW

Securities and Exchange Commission

On behalf of American investors in Dallas and across the United States, I am writing to thank you — as the chief regulator of our nation's equity markets — for your ongoing vigilance in maintaining the transparency, fairness and efficiency of our securities markets. I am also writing to congratulate the Commission on its hard work to improve stock trading in the United States and to bring electronic trading efficiencies to listed securities. Your task has been difficult and complicated, and I applaud the balanced proposal released by the Commission in February.

Proposed Regulation NMS contains critical changes to the operation of America's equity markets that will help to make our markets more competitive, more efficient, and more transparent for investors. This rule, when implemented, will help America to retain its global capital market supremacy and to continue the pace of technological change that has decreased trading costs for all investors. In particular, as the regulation is implemented I encourage the Commission to retain vital provisions, such as the delineation between fast and slow markets and the trade through Opt-Out allowance.

As a member of the House Committee on Rules, on leave from the House Committee on Financial Services, it is my view that American investors are too often subjected to an opaque investing process because of the "trade-through rule." As an elected representative, I urge the SEC to provide investors with an enhanced competitive landscape for trading that will allow them to send their business to trading platforms that treat them fairly, offer them price and share volume that meets their needs or otherwise fulfills priorities that investors holds dear. The Opt-Out provision proposed in Regulation NMS will be the incentive markets need to offer competitive services and answer to investors.

Market structure has been on the Commission's agenda for many years now. With Regulation NMS, the Commission has suggested a course that is good for investors, safe for the stability of our system and can be implemented in a reasonable time period. I urge the SEC to resist the rhetoric of those seeking to retain the profitable and monopolistic status quo they enjoy within

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our securities markets. I encourage the Commission to continue its hard work on behalf of American investors and approve this rule – with a workable Opt-Out provision.

Our nation's capital markets are the envy of the rest of the world because they combine smart, strong oversight while allowing individual choices – not burdensome regulations – to determine the most efficient outcome. I appreciate your continued vigilance in protecting American investors and our capital markets, and I thank you for your consideration of my views in this matter.

Sincerely,

Pete Sessions

Member of Congress

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