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The Honorable Jonathan G. Katz
Secretary of Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609

Subject: Comments on Proposed Market Timing Rule, File No. S7-27-03

The United States Conference of Mayors which represents the interests of over eleven hundred Mayors of cities over 30,000 in population has a significant interest in the Commissions proposed rule on market timing.

While the nation's mayors strongly support SEC efforts to eliminate late trading and market-timing abuses that erode investor confidence and the integrity of the markets, the Commission's proposed solution could unnecessarily disadvantage millions of employees whose retirement savings are invested in mutual funds. Many of the millions of public employees participate in retirement programs that are offered by financial services intermediaries that provide "multi-manager" retirement plans.

More specifically the more than 300,000 city employees in our U.S. Conference of Mayors Deferred Compensation Program are among them. Financial service intermediaries such as Nationwide Retirement Solutions, the administrator of our Program, generally offer funds from a variety of mutual fund managers under a single retirement plan. Such multi-manager products have become popular because they give city and other government workers greater diversification in their saving through a variety of fund managers.

A firm 4:00 p.m. cut-off for reporting trades would require financial intermediaries and broker-dealers to impose a much earlier order cut-off time in order to allow them sufficient time to properly process and transmit the orders to the fund by 4:00. We strongly believe this to be an unacceptable competitive advantage, and could hurt small investor's (i.e. most government employees) retirement plans.

It can take a retirement plan intermediary four to six hours to reconcile mutual fund trades for submission directly to a fund company whose processing is done after 4:00 p.m. Such a rule would necessitate some *intermediary plans to close trading as early as noon each day, or even earlier for participants on the West Coast.*

Employees saving for their retirement might also be subject to higher expenses for the added administrative complexity this new requirement could create.

We believe these outcomes are unintended consequences of the Commission's approach to solving these trading abuses.

The approach taken by the House of Representatives in H.R. 2420 appears to be more equitable. The legislation permits trades received by 4:00 p.m. to be processed and executed based on that day's 4:00 p.m. Net Asset Value or NAV. This approach would allow for more strict compliance than current law, and should prevent many of the abuses that have caused the Commission to act. It would do so without establishing competitive imbalances that would negatively affect our Program or hurt the small investor and their retirement accounts.

We thank you for your consideration.

Tom Cochran

Tom Cochran
Executive Director