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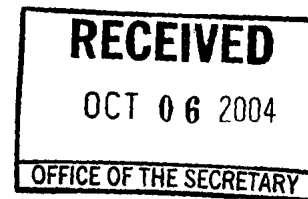
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S7-10-04

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October 1, 2004

Mr. George Mann
Chairman
ITS Operating Committee
Boston Stock Exchange
100 Franklin Street
Boston, MA 02110



Dear Mr. Mann:

As the debate around the SEC's proposed Reg NMS comes to a close, the hard work of implementing structural reform will begin. While the exact conclusion of the REG NMS debate is uncertain it is highly likely that any outcome will result in the need for significant technological improvement for connecting US Exchanges. We are writing to the ITS Operating Committee to suggest a path for changing Exchange linkage that is both fair and transparent for all US Equity Participants.

In this context, it is useful to look back on the SEC's Super Montage Approval Order for precedence. The SEC's approval of this landmark change in Nasdaq market structure was predicated upon the independence of an industry utility that is similar to the ITS – the Security Information Processor or "SIP". Recognizing the importance of the "SIP" remaining a neutral entity in its role supporting Nasdaq market linkage, the SEC directed the OTC-UTP Plan Operating Committee to put the role of SIP out for competitive bid. In keeping with the spirit of proposed Reg NMS, the same principle applies: each US Exchange must have equal standing as a client of the linkage provider.

We would strongly suggest that the Committee use recent history as its guide in selecting a successor to ITS as a connectivity provider. The evaluation and selection process should consider all relevant commercial alternatives. Base line criteria for evaluation should include Global FIX capabilities, strength and redundancy of critical infrastructure, distribution capability, cost effectiveness, and above all neutrality.



NYFIX has a proud history as a FIX protocol innovator. Our FIX based network currently supports order delivery and execution for a broad variety of market constituents including US and Foreign Institutions, NYSE Floor Brokers, US and Foreign Broker/Dealers, ECN's, and US Equity Exchanges.

The NYFIX Network supports CMS, CTCL, and other Exchange protocols. Our network's ability to utilize the FIX protocol as a "lingua franca" to link each Exchange's native technology uniquely qualifies us to participate in any meaningful gap analysis of potential linkage providers.

We welcome the opportunity to present our Company's value proposition to the Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter K. Hansen".

Peter K. Hansen
Chief Executive Officer
NYFIX, Inc.

cc: William H. Donaldson, Chairman SEC
Paul S. Atkins, Commissioner SEC
Roel S. Campos, Commissioner SEC
Cynthia A. Glassman, Commissioner SEC
Harvey J. Goldschmid, Commissioner SEC

Annette L. Nazareth, Director, SEC Division of Market Regulation
Robert L. D. Colby, Deputy Director, SEC Division of Market Regulation