

May 12, 1967

Mr. Eugene Rotberg  
Division of Trading and Markets  
Securities and Exchange Commission  
500 N. Capitol Street  
Washington, D. C. 20549

Dear Mr. Rotberg:

As you will recall, during my visit to your office on April 11, we discussed the length of time it took for a sale to get on the tape. I expressed the opinion that sales were getting on to the tape within a matter of about 45 seconds. Donald O'Connor said that his personal tests while visiting the Floor had indicated a time interval of more than a minute.

You might be interested in a recent survey we made of the time consumed between a transaction and its appearance on the tape. Sampling -- on a random selection basis -- was scattered all over the Floor and covered each of the days in the weeks of April 24 and May 1, 1967. Nine of these ten trading days had volume in excess of ten million shares, including two days of more than eleven million shares and one day of more than twelve million shares. One day's volume as 9,410,000.

It might be well to state that although these were days in which we experienced instances of tape delays, the tests were conducted at times when there was no stated delay. Stop watches were used in conducting these tests. Under our operating practices, even though the tape were 45 or 50 seconds late, it would have to reach one minute late before it would be announced as an actual tape delay. This factor should be kept in mind when looking at the enclosed schedule showing the results of our survey.

As you can see, the test was composed of 424 transactions. It took an average time of 40 seconds for the trades to be printed. Of these 424 transactions 112, or 26.4% of the total, were printed on the tape in 30 seconds or less from the time the transaction was effected; 288, or

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almost 68% of the total, appeared on the tape within 45 seconds or less; and 387, or more than 91% of the total, appeared on the tape in less than one minute.

We feel that these tests are an accurate indication of the situation which prevails on a Floor on a typical ten million share day when there is no stated tape delay.

Sincerely,

JOR:ae

(Sgd.) J. W. O'Reilly