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Congress of the United States
House of Representatives
Washington, DC 20515

February 10, 1988

The Honorable David S. Ruder
Chairman
Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549

CHAIRMAN'S OFFICE
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SEC. & EXCH. COMM.

Dear Mr. Ruder:

I am writing to express my concern over the Commission's response to the letter I cosigned with Chairman Dingell and other members of the Committee on Energy and Commerce concerning the Commission's options multiple trading proposal. As Chairman Dingell noted in his follow-up letter, it was not our intention to suggest that the issues we raised be considered by the Commission as part of a rule making designed to allow multiple trading. Clearly, we intended to express our belief that it was imperative that the Commission resolve those issues before any further action on the proposed Rule 19c-5.

Further, the rather cursory and disingenuous response of Linda Fienberg to Chairman Dingell's follow-up letter is extremely unfortunate. It conveys the impression that the Commission is insensitive to the views and concerns of Members of Congress directly responsible for overseeing the Commission's activity. This does not serve to build a positive working relationship between the Commission and the Congress. In particular, it puts Members, such as myself, who have endeavored to maintain the Commission's latitude in conducting its activities in a difficult situation.

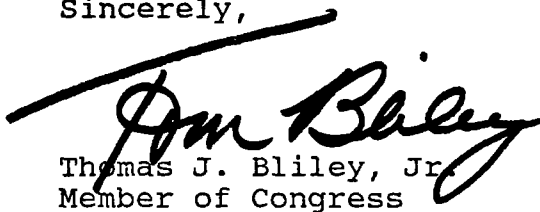
Substantively, I find it difficult to accept that the Commission would proceed at all on this matter until it had addressed the legitimate issues we raised. This is particularly true in light of the difficulties experienced by the options markets during the October market decline. Had the proposed Rule 19c-5 been in effect at that time, it is not unreasonable to suggest that the difficulties experienced by the options markets would have been exacerbated. Indeed, the Commission Staff report on the market decline gives credence to that suggestion.

Frankly, I would have preferred that the Commission not proceed with tomorrow's hearing. Unfortunately, that is not

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the course that has been chosen. I continue to urge you to resolve the issues we raised before proceeding further. With kind personal regards, I am,

Sincerely,

A handwritten signature in black ink that reads "Tom Bliley". The signature is written in a cursive style with a prominent horizontal stroke at the top.

Thomas J. Bliley, Jr.
Member of Congress

TJBj/jls