March 6, 2023

Ms. Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Equity Market Structure Proposals (File Numbers S7-29-22, S7-30-22, S7-31-22, and S7-32-22)

NYSE Group, Inc., Charles Schwab & Co., and Citadel Securities are pleased to present a consensus position to the Securities and Exchange Commission (the "Commission") on its recent equity market structure proposals (the "Proposals"). We share a commitment to ensuring that the U.S. equities market remains the most liquid, efficient, and competitive in the world, thereby strengthening our economy, supporting issuers, and helping to secure the retirement futures of everyday Americans.

Together, our firms represent significant, distinct aspects of the overall U.S. equities market (as the largest exchange group, retail brokerage firm and market maker). While we may not have identical views regarding every aspect of the four Proposals issued by the Commission last December, we believe that a constructive framework can be developed in order to proceed with certain aspects of the Proposals and achieve the Commission's core policy objectives.

We are deeply concerned that the Commission has simultaneously issued multiple far-reaching proposals that would dramatically overhaul current market structure without adequately assessing the cumulative impact on the market or the potential for unintended consequences. While we agree that there are certain regulatory enhancements that should be advanced, we recommend pursuing a deliberate process focused on identifying tailored solutions that address clearly-identified issues as well as related industry concerns, and that enable the Commission to evaluate expected outcomes before proposing further reforms.

We set forth below a proposed path forward that addresses each of the Commission's four Proposals. We believe that this more targeted approach will result in significant benefits for U.S. equity market participants, while meaningfully reducing the risk of negative outcomes for markets and investors, including the risk of firms retreating from being liquidity providers - which would be particularly detrimental to retail investors.

Consensus Approach

- **Minimum Pricing Increments, Access Fees, and Round Lots**. Consistent with prior proposals from both exchanges and market participants, we recommend reducing the minimum quoting increment to a half-penny for symbols trading at or above $1.00 per share that are tick-constrained to significantly narrow the number of symbols covered in the Proposal. We define "tick-constrained" to mean symbols that have an average quoted spread of 1.1 cents or less and a reasonable amount of available liquidity at the NBBO.

Separately, we recommend setting a market-wide harmonized trading increment of $.001 for all symbols trading at or above $1.00 per share. In our view, the minimum quoting increment and the minimum trading increment do not need to be the same.

With respect to access fees, we recommend a reduction that is proportionate to the proposed reduction in the minimum quoting increment for tick-constrained symbols. This would reduce the current $.0030/share cap to $.0015/share for the symbols with a half-penny minimum quoting increment.

Finally, we recommend accelerating implementation of the revised round lot definition, but not the odd lot dissemination on the SIP, as contained in the Commission's Market Data Infrastructure Rule ("MDIR"). We would encourage the Commission to revisit industry comments on the odd lot dissemination before full implementation of MDIR.

- **Order Execution Information (Rule 605)**. We strongly support enhancing execution quality disclosure, and thus recommend implementing this proposal while taking into account technical feedback from market participants. We note that comprehensive and accurate data is critical to enabling both regulators and market participants to assess the impact of any other changes made to current market structure.

We believe implementing the above changes will increase opportunities for public investor interaction, preserve opportunities for meaningful retail price improvement, and enhance the NBBO as a meaningful benchmark for execution quality. This approach will yield significant benefits by increasing market transparency and competition, while minimizing harmful unintended consequences. As such, it is our recommendation to implement the above proposals and study their impact on the market before making further changes, such as further potential adjustments of quoting and trading increments and access fee reductions to a broader universe of symbols.

With respect to the two remaining proposals:

- **Retail Auctions**. We recommend withdrawing this proposal for a number of reasons, including the unprecedented nature of requiring certain market participants to utilize a specific trading protocol. At a minimum, the proposal should be indefinitely paused until the execution quality impacts of the narrower quoting increments and modernized round lot definitions above can be fully assessed, and a more credible economic analysis of the potential harms and benefits of any proposed significant changes to order execution can be conducted.

- **Best Execution**. We all strongly support the principle of Best Execution, but similarly recommend withdrawing this proposal. FINRA and MSRB's best execution rules, and related notices and guidance, have served to protect investors for many decades. We would support further clarification and refinement to existing best execution obligations that would take into account the effects of the tick size, access fee and order execution disclosure adjustments called for above. We are concerned that the current best execution proposal, with overly prescriptive and impractical requirements for managing a new category of so-called "conflicted transactions" may unnecessarily disrupt decades of market progress for investors.

After implementing the approach detailed above, we recommend a measurement period to assess the cumulative impact on market liquidity, efficiency, and competition. In aggregate, these recommended enhancements constitute one of the most significant changes to U.S. equity market structure since Regulation NMS was implemented in 2005.

The consensus approach set forth above represents a thoughtful, meaningful, and sequenced path forward designed to further strengthen the U.S. equity market. We hope that it will be carefully considered by the Commission, and we look forward to providing the Commission with further detail regarding these, and other, aspects of the various Proposals in our individual comment letters.

Respectfully,

/s/ Michael Blaugrund	/s/ Jason Clague	/s/ Joseph Mecane
Chief Operating Officer	Managing Director, Head of Operations	Head of Execution Services
NYSE	Charles Schwab & Co.	Citadel Securities