

April 8, 1991

The Honorable Donald W. Riegle, Jr.
United States Senate
Washington, DC 20510-2201

Dear Senator Riegle:

The New York Stock Exchange has reviewed the drafts of the proposed amendments to Title III of S207 as proposed by the Treasury Department, the Commodities Futures Trading Commission and the Securities and Exchange Commission.

The amendments to Title III regarding the establishment of margin requirements represent a vast improvement over existing law and we support these amendments. We wish to express our appreciation to the Treasury Department for their efforts in developing these new margin provisions.

With regard to those provisions of Title III dealing with the exclusive jurisdiction of certain trading instruments, we believe that the proposed language falls short of the Treasury Department's original proposals. We have consistently supported those original proposals.

We recognize that the Treasury Department and the Commodities Futures Trading Commission have put much effort into reaching the proposed compromise on jurisdiction. However, we feel that the alternative language proposed by the Securities and Exchange Commission, which parallels that originally proposed by the Treasury Department, would allow for a free competition among products of similar characteristics.

For that reason, we support the language proposed by the Securities and Exchange Commission and urge that it be incorporated in the final legislation.

Sincerely,

Bill Donaldson