

National Governors' Association ♦ *International City/County Management Association*
National Association of Counties ♦ *National Conference of State Legislatures* ♦ *National League of Cities*
♦ *Council of State Governments* ♦ *U.S. Conference of Mayors*

March 18, 1997

Mr. Arthur Levitt
Chairman
Securities & Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Dear Mr. Chairman:

We are writing on behalf of the National Governors' Association, the National Conference of State Legislatures, the Council of State Governments, the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the International City/County Management Association to request an opportunity to meet with you regarding the Commission's activities regarding "yield burning." We would prefer to meet near or around April 14th. We met with Assistant Secretary Lubick earlier this year and at that time suggested to him that it was the responsibility of the Securities and Exchange Commission to regulate the sales practices of the broker dealer community and to oversee the integrity of the marketplace through appropriate enforcement of the securities laws. Given the success of our previous efforts with you, we would like to determine how we can coordinate federal, state, and local efforts to protect not just the municipal market from any potential abuse, but also so that we are working with each other and not at cross purposes.

As the purchasers of securities that may or may not have been appropriately priced and as the issuers of municipal securities that are being questioned with regard to their integrity, we feel it is important to discuss the role the Commission should play in clearing up the now rampant rumors and allegations regarding yield burning. We are the victims of the bad publicity and the victims of IRS enforcement actions, all without the knowledge to respond to the allegations and criticisms. We feel it is important to meet with you regarding this issue of crucial importance to us as issuers of municipal securities and purchasers of Treasury securities. We look forward to a meeting with you at your earliest convenience so we can discuss these matters.

Sincerely,



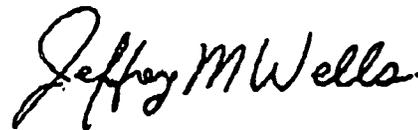
Bob Miller, Governor of Nevada
Chairman, National Governors' Association



Michael Hightower, Commissioner
Fulton County, Georgia
President,
National Association of Counties

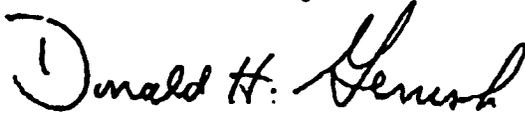


Michael Box, Alabama State House of Representatives
President, National Conference of State
Legislatures



Jeffrey Wells, Majority Leader
Colorado State Senate
Chairman, Council of State Governments

Mark Schwartz, Council Member
Oklahoma City, Oklahoma
President, National League of Cities



Donald H. Gerrish, Town Manager
Town of Brunswick, Maine
President, International City/County
Management Association



Richard M. Daley, Mayor
City of Chicago
President, U.S. Conference of Mayors

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