



## Securities Industry Association

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December 21, 2000

Jonathan G. Katz, Secretary  
Securities & Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

**Re: File No. SR-NASD-99-65, Amendments 2 & 3 (NASD Corporate  
Bond Trade Reporting Facility)**

Dear Mr. Katz:

The T+1 Streetside Fixed Income Working Group (“the group”) is writing in support of the comment letter filed by the Securities Industry Association (see attached) in response to the above referenced rule filing.

The T+1 Streetside Fixed Income Working Group is a sub-group of the SIA T+1 Streetside Committee. Working with the Bond Market Association, the group is focused on addressing issues relating to comparison, netting and settlement issues in anticipation of shortened settlement cycles in the fixed income securities market.

The group shares the concerns regarding bifurcated systems efforts, submission of clearance information and optional comparison discussed in the SIA letter. Moreover, we endorse the letter’s ultimate recommendation that NASD ought to work to ensure that its trade reporting function works within the context of ongoing industry effort to consolidate and expedite all post-trade processing functions across all fixed income markets. T+1 is a vitally important project for reducing risk in the financial markets. Achieving the goals of T+1 will require the unprecedented cooperative efforts on the part of broker-dealers, markets and utilities. As the industry migrates toward consolidated data flows and post-trade processing functions to achieve this goal, it is essential that any entity, such as TRACE, that is seeking to offer a post-trade function, such as reporting, also cooperate with the existing industry-wide effort.

The group supports the goal of fixed income transparency for corporate bonds and looks forward to working with the NASD. The industry’s preferred model will benefit transparency by providing more accurate information and on a timelier basis.

If we can provide any further information or clarification of the points made in this letter, please contact the undersigned at (201) 524-4800.

Very truly yours,

Ellie Davis Ainspan, Chairperson  
T+1 Streetside Fixed Income Working  
Group

Attachment

cc: Honorable Arthur Levitt, SEC  
Honorable Isaac C. Hunt, Jr., SEC  
Honorable Laura S. Unger, SEC  
Honorable Paul R. Carey, SEC  
Annette Nazareth, Director, Division of Market Regulation, SEC  
Robert L.D. Colby, Deputy Director, Market Regulation, SEC  
Belinda Blaine, Associate Director, Market Regulation, SEC  
Stephen L. Williams, Special Adviser to the Director, Market Regulation  
Alden S. Adkins, General Counsel, NASDR  
Justin Tubiolo, NASDR  
Jerome Clair, Chairperson, SIA Operations Committee  
Art Thomas, Chairman, SIA T+1 Steering Committee