

March 15, 2002

Jonathan G. Katz
Secretary, Securities and Exchange Commission
450 Fifth Street NW,
Washington, D.C. 20549

Re: National Association of Securities Dealers and New
York Stock Exchange Proposals Relating to
Research Analyst Conflicts of Interest, File Nos.
SR-NASD-2002-21 and SRNYSE-2002-09

Dear Mr. Katz:

The Securities Industry Association ("SIA") requests that the Commission extend the comment period for the above-referenced proposal for an additional 14 days, until April 18, 2002.

As the Commission noted in its release publishing these proposals, the National Association of Securities Dealers ("NASD") and the New York Stock Exchange ("NYSE"), while seeking to address the same issue at the same time, have diverged in several respects in their proposals. Moreover, both of the proposals have some ambiguities that will require clarification. To cite one example, the NASD and NYSE proposed definitions of "research report" are markedly different from each other, and both raise issues that may require further clarification. We have identified a number of other provisions in the proposals that will require regulatory guidance, and that may require careful attention from the Commission as well as the NASD and NYSE.

Since the proposals were only published in the Federal Register on March 14, we suspect that in the weeks ahead many of our members will identify other issues requiring clarification. Some of the proposals may also have consequences for the issuer community, particularly the proposal concerning the imposition of "quiet periods" for research following an initial public offering or secondary offering. Since issuers generally are less likely than the broker-dealer community to closely follow new proposals by the NASD and NYSE, it is appropriate to allow issuers more time to review the proposal.

Most importantly, the proposals are far-reaching in scope, and address issues that are of fundamental concern to investors and market participants. We think that the Commission shares our interest in ensuring that no one is excluded from the public discussion of this important issue, and that the comment file completely reflects all points



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of view. We also do not think that the Commission would want to deny a reasonable extension request, especially if the proposed regulation is adopted and investors, issuers or broker-dealers later encounter difficulties with its operation. We believe that a two-week extension is very reasonable under the circumstances.

It would be helpful if the Commission could act promptly on our request so that interested market participants will understand how much time is in fact available to them. If you have any questions about this request, please contact George Kramer of the SIA staff at 202-296-9410.

Sincerely,

Stuart J. Kaswell
Senior Vice President
and General Counsel

Cc: The Honorable Harvey Pitt, Chairman
The Honorable Isaac C. Hunt, Jr., Commissioner;
The Honorable Cynthia A. Glassman, Commissioner;
Annette Nazareth, Director, Division of Market Regulation
James Brigagliano, Assistant Director, Trading Practices, Division of Market
Regulation,
Alan L. Beller, Director, Division of Corporation Finance
David Becker, General Counsel
Mary L. Schapiro, President, NASD Regulation, Inc.
Edward A. Kwalwasser, Group Executive Vice President, New York Stock
Exchange