



Securities Industry Association

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June 9, 2000

Mr. Frank Polk
Majority Staff Director
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Mr. David Podoff
Minority Staff Director
Senate Finance Committee
203 Hart Senate Office Building
Washington, DC 20510

Dear Sirs:

Enclosed are the comments of the Securities Industry Association regarding the Senate Finance Committee's Corporate Tax Shelter Preliminary Staff Discussion Draft. We have attempted to confine our comments to those aspects of the Discussion Draft that are of particular concern to our industry as financial services providers, and to stay focused on the "big picture" aspects of the proposal that we think it is most important to address.

Our industry also is in the final stages of preparing a lengthy comment letter to Treasury concerning the three sets of corporate tax shelter regulations that were released on February 28, 2000. We will forward that submission to you as soon as it is completed.

SIA very much appreciates the process that Chairman Roth, Senator Moynihan, and the Finance Committee have established for consideration of this difficult subject. It is very helpful to have the opportunity to review and comment on the specifics of a preliminary staff proposal. We look forward to an ongoing dialogue as work continues.

Once again, thank you for your consideration of our views. Please do not hesitate to contact one of us, or call Patti McClanahan, SIA's Vice President and Director for Tax Policy (202-326-5324), if we can be of help in any way.

Sincerely,

Saul M. Rosen
Chair, SIA Committee on Federal Taxation
of the Securities Industry
Association
Securities Industry Association

Marc E. Lackritz
President
Securities Industry

cc: Mark Prater
Russ Sullivan
Tom Roesser
Edgar McClellan
Cary Pugh
Lindy Paull
Rick Grafmeyer
Jonathan Talisman
Eric Solomon