NOMURA

NOMURA SECURITIES INTERNATIONAL, INC.

2 World Financial Center, Building B
New York, N.Y. 10281-1198

Telephone
(212) 667-9300
Telex
(International)
222371

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Government Securities Regulation Staff
Bureau of the Public Debt
999 E Street NW, Room 315
Washington, DC 20239

To Whom It May Concern:

As representatives of Nomura Securities International, Inc., a "primary dealer" in US government securities, we submit the following response to the "Advance Notice of Proposed Rulemaking" regarding the "Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds: Calculation of Net Long Position and 35 Percent Limit."

In the circular describing the "35% Rule," the Treasury enumerated six alternatives under consideration to modify the Treasury's *Uniform Offering Circular* (31 CFR 356) for calculating the net long position (NLP) and the 35 percent award limit in marketable Treasury securities auctions. We concur with the Treasury that "Alternative 1 is the most workable." However, the wording of that alternative is somewhat ambiguous. Specifically, the phrase -- "up to 35 percent of the combined prior offering amounts of that security" - should be amended to read "up to 35 percent of the combined prior offering amounts of that **security including any amount acquired during the when-issued trading period**." This would make clear that the 35% limit would apply jointly and separately to the combined total outstanding as well as the additional amounts to be auctioned. This would effectively limit the dealer to bid on no more than 35% of the security that has been re-opened. Thus, a dealer that held less than 35% of an outstanding issue that has been re-opened would only be permitted to bid for 35% of the additional amount being sold.

Sincerely,

David H. Resler

David H. Resler
Managing Director and Chief Economist
dresler@us.nomura.com (212-667-2415)

Vincent A. Verterano

Vincent A. Verterano
Managing Director, U.S. Government Bond Trading
vverterano@us.nomura.com (212-667-2313)

cc.
Paul Malvey
Debt Management
US Treasury Department