



Corporate Trust Services
PO Box 64111
St. Paul, MN 55164-0111



22

June 22, 2007

SENT VIA EMAIL: RULE-COMMENT@SEC.GOV
& OVERNIGHT MAIL

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Securities and Exchange Commission Release No. 34-55816, File No. SR-DTC-2006-16, Notice of Filing of Proposed Rule Change Amending FAST and DRS Limited Participant Requirements for Transfer Agents.

Dear Ms. Morris:

U.S. Bank National Association ("U.S. Bank") appreciates the opportunity to provide comments to the Securities and Exchange Commission ("Commission") on the DTC proposed rule changes relating to FAST. U.S. Bank notes initially that it has reviewed comments to be submitted by the Securities Transfer Association ("STA") and supports those comments and reiterates the concerns set forth by the STA.

Discussion

In addition to the concerns set out in the STA's comments, U.S. Bank has concerns regarding the following matters:

- * **Section 1 - Disclosure of actions by regulatory authorities:** Section 1 of the DTC proposal provides that a transfer agent must provide DTC with a written notification as soon as practicable, if its regulator has taken any regulatory action against the transfer agent with respect to an alleged violation of laws, rules or regulations. U.S. Bank is a national banking association whose primary regulator is the Office of the Comptroller of the Currency ("OCC"). The proposed language is unacceptable for at least two reasons. First, the language is unduly broad in that it could be read to require disclosure of all violations of laws regardless of relevance to transfer agent activity. Second, to comply with the disclosure request appears to be

contrary to national bank requirements, including 12 CFR 4.37(b), specifically prohibiting the disclosure of OCC examination reports and other communications by the OCC to national banks.

* **Sections 6, 8 & 9 – Insurance related matters:**

- **Section 6, DTC as loss payee not to be invalidated:** The requirement that “the ‘mail’ coverage shall identify DTC as a loss payee but shall not be invalidated by any act or neglect of the insured” is not practical and may not be possible. Based on our review with insurance industry sources, there are few if any carriers willing to provide this type of coverage, and imposing this requirement would limit the ability of the transfer agent to select the best insurance provider and/or coverage otherwise available to it. Further, to obtain this type of coverage from an insurer would likely be extremely expensive, creating an undue burden on the transfer agent.

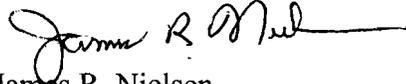
- **Section 8, 30 day proof of insurance:** This requirement does not reflect the current practice of renewing insurance. Almost universally, insurance arrangements are not renewed or newly negotiated until days before the existing policy expires. A requirement for notice with some number of days after the insurance policy has been renewed or a new policy obtained may be a workable solution.

- **Section 9, Insurance provider to provide DTC of notice of lapse:** The ability to negotiate with an insurance company language that requires the insurer to notify DTC of any threatened or actual lapse in insurance coverage is not practical. Insurers are highly unlikely to contract for such a responsibility and imposing this requirement would limit the ability of the transfer agent to select the best insurance provider and/or coverage otherwise available to it. Further, the transfer agent should not be held accountable for failure of any insurer to comply with such a term.

* **Section 11 – Audit matters:** Similar to the STA, U.S. Bank believes that the proposed audit requirements (SAS 70 or SSAE-10 report) are unnecessary, unduly burdensome and cost prohibitive. As for any certification regarding business continuity planning, any required certification should provide that the agent meets either: 1) SEC requirement, or 2) primary regulator requirements.

*** Section 14 – Commission examination report disclosures and disclosure of ongoing alleged material deficiencies:** Similar to the comments made regarding Section 1 above, any disclosure requirements must be made contingent on permissibility of disclosure under law and regulation.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Nielsen", with a long horizontal flourish extending to the right.

James R. Nielsen
Senior Vice President

cc: Michael LaFontaine, Chief Compliance Officer, U.S. Bancorp
Satish Pattegar, Chief Compliance Officer – Trust, U.S. Bancorp