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Raymond J. Hennessy
Vice President
Member Firm Regulation

NYSE

New York
Stock Exchange, Inc.

December 29, 1999

Mr. Michael A. Macchiaroli
Associate Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Dear Mr. Macchiaroli:

On June 5, 1989 the SEC Division of Market Regulation issued a "no-action" letter describing the net capital treatment for foreign-issued, foreign settled fail to deliver /receive items.

The Division, during the last nine years, has previously extended the no-action position to December 31 of each year. The NYSE, in conjunction with the SIA, request that the Division grant permanent status to the no-action position to preclude having to annually request an extension.

We request your approval of the permanent status as soon as possible to avoid any misunderstanding or confusion by broker-dealers after December 31, 1999.

Sincerely,

