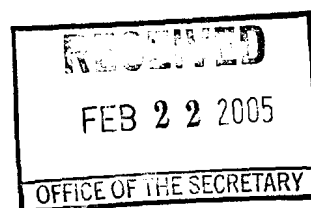




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February 17, 2005

Mr. Jonathan G. Katz
Secretary
Securities & Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

**Re: FICC Rule Filing Proposal
File No. SR-FICC-2004-15**

Dear Mr. Katz:

Tradition Asiel Securities Inc. ("Tradition")¹ appreciates the opportunity to comment on the proposal by the Government Securities Division ("the GSD") of the Fixed Income Clearing Corporation ("FICC") to require the submission to FICC of eligible transactions conducted by certain affiliates of FICC members and to prohibit pre-netting practices (the "FICC Rule Filing Proposal"). Tradition **strongly supports** the FICC Rule Filing Proposal and urges the Securities and Exchange Commission (the "Commission") to approve the FICC Rule Filing Proposal as soon as possible.

The FICC Rule Filing Proposal is necessary to preserve the integrity of FICC's netting and risk management processes. We joined the FICC to gain the benefits of these important processes, in order to protect ourselves when engaging in U.S. Government securities activity, and to ensure the safety and soundness of the U.S. Government securities market. In submitting the FICC Rule Filing Proposal, FICC has taken the next logical step in its mission to reduce systemic risk in the U.S. Government market by focusing on two key issues: (i) the need for FICC to manage as many active market participants as possible through receiving and processing as many eligible transactions as possible and (ii) the danger of pre-netting.

Any reduction of FICC's trade submission requirements results in the introduction of significant risk for its members and the marketplace. The FICC Rule Filing Proposal addresses these issues by focusing on GSD Members' affiliates such as U.S. banks,

¹ Tradition has been netting member of FICC since FICC's inception as the Government Securities Clearing Corp.

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broker-dealers and futures commission merchants and by providing exceptions to the proposed requirements. These entities comprise the large majority of GSD netting members affiliates, and their trades should be submitted to FICC on a trade-by-trade basis for the protection of the market. Otherwise, an opportunity is left for members to allocate to FICC only certain covered affiliate trades that are regarded as more risky.

Not only is Tradition concerned about the dangers of pre-netting practices but also we believe that the member firms that are engaging in these practices are putting cost savings ahead of risk mitigation. In this regard, I note that the GSD recently amended its netting fees to provide cost savings. This should be well-considered by those firms most interested in pre-netting.

Again, we urge the Commission to approve the FICC Rule Filing Proposal as soon as possible.

Sincerely,

/s/ Emil Assentato

Emil Assentato
President