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December 2, 2005

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th and C Streets, N.W.
Washington, D.C. 20551

Re: OMB Control Number 7100-0297 - Proposal to approve the revision, without extension, of agency forms FR Y-10 and Y-10F

Dear Ms. Johnson:

Citigroup Inc. appreciates the opportunity to comment on revisions proposed by the Board of Governors of the Federal Reserve System ("Board") with respect to agency form numbers FR Y-10 and FR Y-10F, respectively entitled Report of Changes in Organizational Structure and Report of Changes in FBO Organizational Structure. Notice of this proposal was published in the *Federal Register* on September 29, 2005, with comments to be submitted on or before November 28, 2005. And although this letter is submitted after the November 28th deadline, we are hopeful that our comments will receive consideration from Board staff.

The proposed revision entails appending a supplement, the FR Y-10S, to the current forms FR Y-10 and FR Y-10F. Schedule A of the supplement is an annual submission reporting SEC registration by the Bank Holding Company ("BHC") or any subsidiary and whether or not each identified registrant must comply with section 404 of Sarbanes-Oxley Act of 2002. Schedule B reports six-digit CUSIP numbers associated with securities issued by the BHC, its domestic BHC subsidiaries, its U.S. banking subsidiaries, and its largest U.S. nonbanking subsidiary. After the initial submission of December 31, 2005 data, on or before March 31, 2006, this schedule becomes an event driven report due within 30 days.

As explained in the Federal Register notice, the information obtained via the supplemental schedule is expected to "enhance the Federal Reserve's ability to compare regulatory data to market data and to increase the Federal Reserve's effectiveness in assessing banking organizations' compliance with Sarbanes-Oxley Act of 2002."

Citigroup has no basis for challenging the Reserve System's perception of need to collect this data or the expected benefits to be derived from having it. But as set forth below, we do question the agency form selected to serve as the data collection vehicle, are opposed to integrating the supplemental schedules into the body of the selected agency form, and believe the burden associated with initial and on-going data collection has been significantly understated for active securities issuers. There are also several terms that might be clarified.

The data collection vehicle

At page 4 of the OMB supporting statement, there is mention of an initiative to incorporate questions from Schedule A and Schedule B into the FR Y-10 and FR Y-10F. And a further statement indicates that if this task is not completed by December 2006, Schedule A would be revised to include questions on whether or not there has been any change in the data reported for December 31, 2005.

Citigroup believes that agency form FR Y-6 is the appropriate repository for Schedule A data; not the FR Y-10/FR Y-10F (hereafter collectively referenced as "Y-10") or any supplement thereto.

We note that Item 1 of the current FR Y-6 requires SEC registered BHCs to submit a copy of their most recent Form 10-K, while BHCs that are not SEC registered must submit a copy of their most recent annual report. In which case, the BHC's item 1 submission directly corresponds to the Yes/No question in Part I of Schedule A. In most instances, the BHC will be the only SEC registrant in the reporter's organization, but in our view, it makes no difference if there happen to be others. Reporters would simply complete the Schedule A, Part II template for each SEC filer.

The Schedule A, Part II template could be included as an additional page of the Y-6 form, in the same way a template is provided for identification of tiered bank holding companies; and a Yes/No question would confirm whether the current data is changed from the prior year. Including the Yes/No question for each SEC registrant would facilitate identification of specific changed data. (Please also see our question below about submitting Schedule A responses for merged entities that are no longer Y-10 reportable. It appears under the header "Clarification of terms: Schedule A ".)

Regarding Schedule B, Citigroup would strongly urge Board staff to keep the collection of CUSIP data in a supplement rather than incorporating it into the Y-10 report of structure changes. Keeping it as a discrete form will facilitate the gathering and filing of information by the reporting institutions, since early discussion of this proposal among Clearing House members indicated that structure reporting units do not have ready access to the CUSIP data.

Average Burden

The analysis of Average Burden included at pages 6 and 7 of the OMB Supporting Statement estimates that respondents will spend, on average, 1 hour to prepare the initial report and 0.5 hour to prepare each of 4 event driven reports each year. An hourly rate of $20 is used to generate an "estimated annual reporting cost to the public" attributable to the FR Y-10S.

Our experience to date would indicate that the projected "averages" significantly understate the man-hours required of any active securities issuer. Considerable time has already been spent by Citigroup senior staff in an effort to analyze the proposed reporting requirement, determine where the data reside, and dimension the task of reporting the data. And since the data do not currently flow to the structure unit filing the Y-10, more time is needed to define what the reporting process will look like and who will ultimately coordinate the initial and subsequent filings.

An hourly rate of $20 is not consistent with industry pay scales for the salaried professionals who will prepare these reports.

Clarification of terms: Schedule A

1. "Suspension of SEC reporting requirements": An example is given on page LI-2 to illustrate suspension of reporting requirements: i.e., "when the issuer is merged into or consolidated with another issuer."

Are we to understand from this example that identification as an SEC registrant in a Schedule A submission makes the company reportable in the next annual filing, even though it is dissolved by merger during the intervening year and a Y-10 form has been submitted to the District Reserve Bank to report the dissolution?

Clarification of terms: Schedule B

1. "U.S. banking subsidiaries" -- This term identifies a category of subsidiary for which six-digit CUSIP numbers are to be reported on Schedule B. However, the instructions do not specify whether "U.S. bank" means a commercial bank or any federally insured depository institution. Confirmation is also needed as to whether reporters are to include or exclude CUSIP numbers associated with securities issued by operating subsidiaries and/or foreign subsidiaries of their "U.S. banking subsidiaries".

A clear understanding is needed in order to ensure the accuracy and completeness of our Schedule B reports.

2. Medium-term Notes ("MTNs") -- Reference to this type of security appears under Schedule B "Exclusions" listed on page LI-3. And since they are named as a type of money market instrument, we understand that only MTNs with maturities of less than 1 year are to be exempted. An explicit statement to this effect would be helpful, since in practice, MTN programs routinely have maturities that extend out for decades. Has consideration been given to exempting MTNs with maturities greater than 1 year?

Citigroup staff would be pleased to answer any questions you may have about our comments, and welcome the opportunity to meet with you to discuss our suggestions. Please contact the undersigned at (212) 559-1770.

Very truly yours,

M. Jo Malins,
Vice President

Cc: Violet Cumberbatch - Federal Reserve Bank of New York