



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 26, 1998

The Honorable Newt Gingrich
Speaker
U.S. House of Representatives
Washington, DC 20510

Dear Mr. Speaker:

The Government Securities Act Amendments of 1993 ("GSAA," Pub. L. 103-202, 107 Stat. 2344) direct the Secretary of the Treasury, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System to evaluate certain rules for government securities. Paragraph (a) of Section 112 of the GSAA specifies that we evaluate, with respect to any government securities rules promulgated after October 1, 1991, and any national securities association rule changes applicable to government securities transactions approved after that date, the effectiveness of such rules and evaluate their impact on the government securities market. We were also directed to evaluate the effectiveness of surveillance and enforcement and to submit any recommendations we consider appropriate concerning the regulation of the government securities market.

Pursuant to these directives, we hereby submit our joint report, which is entitled Joint Study of the Regulatory System for Government Securities.

We are also transmitting the report to the President of the Senate.

Sincerely,

Robert E. Rubin
Secretary of the
Treasury

Arthur Levitt, Jr.
Chairman of the
Securities and
Exchange Commission

Alan Greenspan
Chairman of the
Board of Governors
of the Federal
Reserve System

Enclosure