

September 10, 2001

VIA FEDERAL EXPRESS

Government Securities Regulations Staff
Bureau of the Public Debt
999 W Street N.W., Room 315
Washington, D.C. 20239

Re: Advance Notice of Rulemaking for Potential Modifications to the Calculation of the Net Long Position and the 35 Percent Award Limit in Treasury Securities Auctions

Ladies and Gentlemen:

Goldman, Sachs & Co. ("GS&Co.") appreciates the opportunity to comment on the Treasury Department's ("Treasury") proposed rule making in connection with the Calculation of Net Long Position and the 35 Percent Limit. GS&Co. is a U.S. registered broker-dealer and a primary dealer in U.S. Treasury securities.

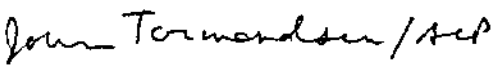
GS&Co. strongly supports Alternative 4 proposed by the Treasury. The main objective of the modification to the current 35 percent rule and the Net Long Position ("NLP") calculation should be to allow each new issue of reopened securities to be widely distributed without undue concentrations by any person or persons. We believe that Alternative 4 achieves this goal in the most straightforward and expeditious manner. Arguably, Alternative 1 also promotes greater participation in the auctions, but we also believe it is unduly complicated and that its implementation could create confusion and back-office errors.

Although an argument can be made that Alternative 4 may allow some bidders to amass a significant position in the previously issued securities of the same CUSIP, we are convinced that the Treasury has adequate means at its disposal to monitor existing dealer positions in Treasury securities. We do not believe that it is necessary to control the level of these existing positions through the auction rules, as existing positions have no bearing on the availability of newly reopened Treasury securities to the marketplace.

We appreciate the opportunity to comment on the Treasury's proposal and would be happy to respond to any questions you may have. If you would like to further discuss our comments, please do not hesitate to call John Tormondsen at (212) 902-8340.

Very truly yours,

GOLDMAN, SACHS & CO.

By: 
John Tormondsen