



TT&L
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8/12/99

August 13, 1999

Cynthia L. Johnson
Director Cash Management Policy & Planning Division
Financial Management Service
Room 420
401 14th Street SW
Washington DC 20227

RE: AMENDMENT TO TT&L RATE OF INTEREST

Dear Cynthia:

This letter is to voice our objection to the proposal of raising the interest rate charged TT&L depositories to a point that is nearly equal to the Fed Funds rate.

This change of policy would encourage us to rapidly exit this program and discontinue using the TT&L investment program.

The reason is, we would be tying up collateral and not getting any real benefit from it. There are so many other sources of funding at the higher proposed rate that it would be of limited or no value.

We would strongly encourage you not to change the current interest rate formula.

If you have any questions please give us a call.

Sincerely,

James K. Caldwell
President

JKC/kat