

January 19, 2000

The Honorable Vito J. Fossella  
431 Cannon Building  
Washington, DC 20515-3213

Dear Congressman Fossella:

Thank you for your letter asking for NASAA's views on conversion to decimal trading in our securities markets and your call for Congressional oversight hearings on this issue.

At NASAA, the oldest international organization devoted to investor protection, we believe there is intrinsic value to simplicity when it comes to communicating with Main Street investors.

In 1997, NASAA testified before the Subcommittee on Finance and Hazardous Materials in support of changing stock price quotations from fractions to decimals. Our argument was that it would make the markets easier for investors to understand.

We are pleased the industry is converting to decimal pricing on its own – and not because of regulatory or legislative action. NASAA is not in a position to comment on the industry's timetable to convert from fractions to decimals. While the impact of decimalization on quote traffic and capacity should be thoroughly reviewed, we believe the conversion should take place as soon as reasonably possible.

I appreciate the opportunity to present NASAA's views and look forward to continuing to work with you on the drafting of the Securities Markets Reform Act. If I can be of further assistance or provide additional information, please don't hesitate to contact me directly at (317) 232-6695 or Deborah Fischione, NASAA's Director of Policy at (202) 737-0900.

Sincerely,

Bradley W. Skolnik  
NASAA President  
Indiana Securities Commissioner