

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: 2147 96

DATE: December 20, 1996

TO: All Participants

FROM: Frank Petrillo, Vice President, Research & Product Development

ATTENTION: Managing Partner/Officer; Cashier; Reorganization/Dividend/Vault Managers

SUBJECT: Changes to the Program Agenda Proposals Process

In light of the rapid pace of industry developments and to allow for more flexibility, the Program Agenda Proposals process will change. First, the twice-yearly Program Agenda Proposals document will no longer be published. Instead, individual "Research & Product Development White Papers" will be issued as topics present themselves to enable DTC to act on items in a more timely manner. The papers will offer more detailed descriptions and analyses and provide a better sense of priority than was possible under the previous format, making it somewhat easier for Participants to generate more informed opinions on a subject. Surveys and questionnaires may be attached to encourage Participant response.

We are pleased that so many Participants and industry groups took the time to respond to the August 1996 Program Agenda Proposals and believe the new format will engender even broader response in the future. The responses are summarized in the tables below with a statistical breakdown by banks and brokers. Industry organizations are included in whichever segment they represent.

A1. Expanding the Customer Support Center (CSC) to handle inquiries and problems of a non-technical nature.

The response to this proposal was exceptionally favorable. Of a total 53 responses, only three were not in favor.

	BANKS	%	BROKERS	%	TOTAL	%
IN FAVOR	19	91	31	97	50	94
OPPOSED	2	9	1	3	3	6
TOTAL	21	100	32	100	53	100

As a first step in this direction, DTC intends to equip all Participant Services representatives by mid-1997 with software to track the status of all problems reported to the CSC.

A2. Enabling Participants to communicate with the CSC via e-mail.

The response to this proposal was generally favorable, with 42 in favor out of a total of 53 responses.

	BANKS	%	BROKERS	%	TOTAL	%
IN FAVOR	18	86	24	75	42	79
OPPOSED	3	14	8	25	11	21
TOTAL	21	100	32	100	53	100

CSC management is currently researching the use of e-mail as a communications option. Some preliminary testing is expected during first quarter 1997.

B. Graphical presentation of Participant holdings and activity.

The response to this proposal was mixed. Of 52 responses, 13 were not in favor.

	BANKS	%	BROKERS	%	TOTAL	%
IN FAVOR	16	76	23	74	39	75
OPPOSED	5	24	8	26	13	25
TOTAL	21	100	31	100	52	100

Although 39 Participants were in favor of this proposal, the level of support was not high. Therefore, it will not be pursued.

Questions should be directed to Lisa Dougan, Associate Director-Research, at (212) 709-1754 or me at (212) 709-1064.