

AmSouth Bank
Post Office Box 11007
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TT&L
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August 23, 1999

Federal Reserve Bank
Attn.: Cynthia L. Johnson
Financial Management Service, Room 420
401 14th Street, S.W.
Washington, D.C. 20227

Dear Ms. Johnson:

Please accept this response as official comments concerning the proposed rule change regarding the rate of interest charged on TT&L Depositories for the use of Treasury Funds.

In the event that the rate is changed to an overnight repurchase agreement rate, it is most likely that AmSouth Bank would **no longer participate as a Note Option Institution**. At the very least, we would lower our note limit considerably.

Should you require further information, I can be reached at 205-326-4803.

Sincerely,

Dana W. Nolan
Vice President

CC: John Kottmeyer
Barbara Medley