



**National Association
of Bond Lawyers**

PHONE 202-682-1498 601 Thirteenth Street, N.W.
FAX 202-637-0217 Suite 800 South
www.nabl.org Washington, D.C. 20005

President
WALTER J. ST. ONGE III
Boston, MA

President-Elect
CAROL L. LEW
Newport Beach, CA

Secretary
WILLIAM A. HOLBY
Atlanta, GA

Treasurer
J. FOSTER CLARK
Birmingham, AL

Directors:

SCOTT R. LILIENTHAL
Washington, DC

KATHLEEN CRUM MCKINNEY
Greenville, SC

JOHN M. MCNALLY
Washington, DC

EDWIN G. OSWALD
Washington, DC

CHARLES P. SHIMER
Richmond, VA

JOHN O. SWENDSEID
Reno, NV

CYNTHIA M. WEED
Seattle, WA

Immediate Past President
MONTY G. HUMBLE
Dallas, TX

Honorary Director
FREDERICK O. KIEL
Cincinnati, OH

*Director of
Governmental Affairs*
ELIZABETH WAGNER
Washington, DC

Executive Director
KENNETH J. LUURS
250 South Wacker Drive
Suite 1550
Chicago, IL 60606-5886
Phone 312-648-9590
Fax 312-648-9588

April 12, 2006

John J. Cross III
General Attorney
Office of Tax Policy
Department of the Treasury
1500 Pennsylvania Avenue, N.W., 4212 B MT
Washington, D.C. 20220

RE: Comments relating to Qualified Hedging Transactions under Treasury Regulation §1.148-4(h)

Dear John:

As stated in the National Association of Bond Lawyers (NABL) letter transmitting the Guidance Priority List to you on March 21, 2006, enclosed is a more complete discussion of NABL's guidance recommendations for qualified hedging transactions, prepared by the NABL Derivatives Task Force. A list of Task Force members who participated in the preparation of the enclosed recommendations is also enclosed.

Representatives of NABL are available to discuss these recommendations and to assist with guidance implementation, if appropriate. Ideally, a subset of members of the NABL Derivatives Task Force would welcome the opportunity to meet with Treasury and IRS for these purposes.

If you have questions, please contact me at 617/239-0389 or through email at wstonge@eapdlaw.com or Elizabeth Wagner, Director, Governmental Affairs at 202/682-1498 or through email at ewagner@nabl.org. We will also follow up with you regarding a meeting with members of the NABL Derivatives Task Force.

Thank you for the opportunity to submit NABL's recommendations for guidance on qualified hedging transactions. We look forward to working with you.

Sincerely,

Walter J. St. Onge III

Enclosures

cc: Eric Solomon
Michael J. Desmond
Donald L. Korb
Clifford J. Gannett

Catherine E. Livingston
Rebecca L. Harrigal
Johanna L. Som de Cerff
NABL Municipal Derivatives Task Force Members