



SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

September 7, 1984

The Honorable Alfonse M. D'Amato, Chairman
Subcommittee on Securities
SD-534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman D'Amato:

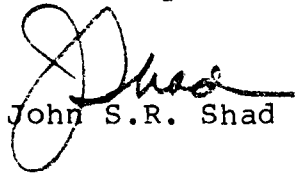
As you are aware, the House Energy and Commerce Committee ordered reported H.R. 5693 on August 2, 1984. Title II of this bill is the Tender Offer Reform Act of 1984. I wanted to call to your attention the Commission's serious concerns about several of the provisions of the bill as amended by the Committee, which are set forth in the enclosed memorandum. The memorandum does not necessarily reflect the views of the President. We are sending a copy of this letter and the memorandum to the Office of Management and Budget and will inform you of any comments we receive from that Office.

The Commission previously commented on H.R. 5693 when it was reported by the House Subcommittee on Telecommunications, Consumer Protection, and Finance on June 28, 1984. Certain amendments adopted by the full Committee on August 2 were responsive to some of the Commission's concerns. The Commission supports amendments that restored the Section 13(d) filing from pre to post acquisition, the one-year delayed effective date in the bank proxy provision, and the two-year holding period in the "greenmail" restriction. Notwithstanding these improvements, however, as outlined in the enclosed memorandum, the Commission would continue to oppose H.R. 5693 as amended. Specifically, the Commission objects to the addition of community impact disclosure in the filing under Section 13(d) regarding significant acquisitions, the incorporation of a legislatively prescribed 40-day statutory minimum offering period, and the failure to qualify or otherwise limit the kind of tender offer that would trigger the restrictions on management's defensive tactics.

I wanted to bring the Commission's concerns with this bill to your attention so that you would be aware of these issues should they come before the Senate.

Questions concerning this legislation can be directed to Cecile Srodes, Director of Legislative Affairs for the Commission, at 272-2500.

Sincerely,



John S.R. Shad

Enclosure

cc: James Frey, Office of Management and Budget
The Honorable William Proxmire
The Honorable Paul S. Sarbanes