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Katherine A. England
Assistant Director
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-1001

**Re: File No. SR-NASD-2002-166, Amendment No. 2
Margin Rule Amendments for Security Futures Contracts**

Dear Ms. England:

NASD requests that the above-referenced rule filing be implemented as a pilot program pending resolution of open issues raised by commenters. We understand that the substantively identical New York Stock Exchange ("NYSE") margin rules for security futures are currently operating as a pilot program. We ask that NASD's margin rules for security futures be made effective on the same terms as the rules of the NYSE.

If you have any questions concerning this amendment, please do not hesitate to contact me at (202) 728-8104.

Very truly yours,

Gary L. Goldsholle