THE BANK OF NEW YORK MELLON

Thomas (Todd) P. Gibbons
Senior Executive Vice President and Chief Financial Officer

October 20, 2008

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Attention: Docket Number R-1329

Office of the Comptroller of the Currency
250 E Street, S.W.
Mail Stop 1-5
Washington, DC 20219

Attention: Docket ID OCC-2008-0014

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th St., N.W.
Washington, D.C. 20429

Attention: Comments/Legal ESS: RIN #3064-AD32

Regulation Comments, Chief Counsel's Office
Office of Thrift Supervision
1700 G. Street, N.W.
Washington, D.C. 20552

Attention: OTS-2008-0010

Re: Joint Notice of Proposed Rulemaking: Capital Adequacy Guidelines; Deduction of Goodwill Net of Associated Deferred Tax Liability

Ladies and Gentlemen:

The Bank of New York Mellon appreciates the opportunity to comment on two aspects of the Joint Notice of Proposed Rulemaking published in the Federal Register on September 30, 2008 issued by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision ("Agencies").

First, we commend the Agencies for their proposal to amend the capital rules to permit a banking organization to reduce the amount of goodwill it must deduct from Tier I capital by the amount of any deferred tax liability (DTL) associated with the tax deductible goodwill. DTLs are not true liabilities and are not owed to anyone. They arise from real tax savings which are not recognized under U.S. GAAP and thus they represent cash

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available to depositors and creditors. The proposed refinement in the rules will result in a reduction to Tier I capital in line with the maximum exposure to loss if goodwill were to become impaired or derecognized under U.S. GAAP.
Second, for the reasons cited above with respect to the DTLs associated with goodwill, we support consistent treatment related to DTLs associated with other intangible assets acquired in a taxable business combination that currently are not deductible from Tier 1 capital net of associated DTLs. Examples of other intangible assets include those related to Trust Servicing Rights, Mortgage Servicing Rights, Assets Under Management, Procurement Arrangements, Core Deposits, Asset Servicing Contracts, Credit Card Businesses, and Trade Names among others. These intangibles and their DTLs are economically similar to tax deductible goodwill, and we believe they should receive consistent treatment under the rules.

In summary, the Bank of New York Mellon agrees with netting DTLs from both goodwill and other intangible assets prior to deduction from Tier I capital. We respectfully request a swift implementation of this proposal commencing with the fourth quarter 2008 reporting period. Thank you for the opportunity to represent our point of view on this important initiative.

Sincerely,

Thomas P. Gibbons