

February 22, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-45-10

Dear Ms. Murphy,

On behalf of the Virginia Resources Authority ("VRA"), I submit the following comments to the Securities and Exchange Commission (the "SEC") with respect to the proposed rule regarding the registration of municipal advisors (the "Proposed Rule").

VRA is a public body corporate and a political subdivision of the Commonwealth of Virginia that was created by the General Assembly of the Commonwealth of Virginia to offer lower-cost financing alternatives, primarily through the issuance of municipal bonds, to Virginia cities, towns, counties, and authorities for their essential infrastructure projects. For the reasons set forth below, VRA believes it is not appropriate to interpret the definition of "municipal advisor" set forth in Section 15B(e)(4)(A) of the Securities Exchange Act of 1934 (the "Exchange Act") to include VRA's board of directors (the "Board") and similarly situated governing bodies.¹

VRA, like many municipal entities in Virginia, is governed by a board of directors. The Board consists of (i) seven members appointed by the Governor and confirmed by the General Assembly for four-year staggered terms and (ii) four *ex officio* members, including the State Treasurer, the State Health Commissioner, the Director of the Department of Environmental Quality and the Director of the Department of Aviation. Each *ex officio* member is appointed to his or her office by the Governor. The Chairman of the Board is designated by the Governor.

¹ Each Board member may be deemed to be an "employee of a municipal entity" for purposes of the Exchange Act, and therefore excluded from the definition of "municipal advisor," because each member of the Board is to be reimbursed for his or her reasonable expenses incurred in attendance at meetings or when otherwise engaged in the business of VRA, and is to be compensated at the rate provided in the Code of Virginia, as amended (currently \$50 per day), for each day or portion thereof in which the member is engaged in the business of VRA. The comments set forth herein are submitted to the extent that members of the Board are not considered by the SEC to be employees of a municipal entity under the Exchange Act.

Elizabeth M. Murphy
February 22, 2011
Page 2

In the Proposed Rule, the SEC said that it does not believe that appointed members of a governing body of a municipal entity that are not elected *ex officio* members should be excluded from the definition of a "municipal advisor." In support, the SEC states that unlike employees and elected members, appointed members are not directly accountable for their performance to the citizens of the municipal entity.

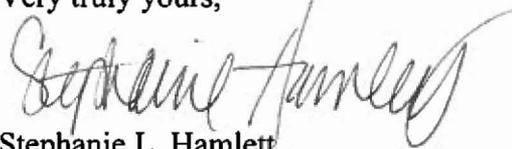
Although the Board members are not directly elected by Virginia's citizens, this does not mean that they are not accountable for their actions. As discussed above, the Board members are appointed by the Governor and confirmed by members of the General Assembly. The Governor and members of the General Assembly are directly elected by Virginia's citizens, and Virginia's citizens can express their pleasure, or displeasure, with the Board's actions to their elected officials. If there is cause, a member of the Board may be removed from his or her office, or if found guilty of a felony or certain other crimes, must forfeit the office.

Furthermore, the actions of the members of the Board are subject to the laws governing Virginia public bodies generally. For example, pursuant to Virginia's Freedom of Information Act, all of the Board's meetings are open to the public, and the Board's records are to be made available to members of the public upon request. Under the State and Local Government Conflict of Interests Act, Board members must disclose certain personal financial information and are subject to rules preventing conflicts of interests.

Finally, VRA's Board does not provide "advice" to VRA as such term is commonly understood, and as such term should be interpreted for purposes of the Exchange Act. Instead, like most governing bodies, the Board *receives* advice from municipal advisors who are paid for their services. The Board then considers such advice when making decisions regarding the issuance of municipal bonds and related matters.

Please consider the foregoing comments and draft the final rule to exclude VRA's Board and similarly situated governing bodies from the definition of "municipal advisor."

Very truly yours,



Stephanie L. Hamlett
Executive Director