



May 15, 2017

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington D.C. 20549-1090

Re: Proposed Amendments to Exchange Act Rule 15c2-12 (File No. S7-01-17) (RIN 3235-AL97)

Dear Mr. Fields:

Arizona State University, Northern Arizona University, and the University of Arizona (together, the "Universities") appreciate the opportunity to submit this letter in response to Release No. 34-80130 (the "Release") containing proposed amendments (the "Proposed Amendments") to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "Rule"). In general, the Universities support municipal market transparency and providing important information about the Universities to investors in a timely manner. The Universities are commenting on the Commission's Release because of their concerns with the implementation burden created by the breadth of the events that would trigger the notice requirement under the Proposed Amendments, and the lack of clarity regarding the definition of "material" under the Proposed Amendments. The Universities welcome the opportunity to work with the Commission to address the concerns below.

The Universities

Arizona State University, Northern Arizona University, and the University of Arizona are the State of Arizona's three public universities. The governing body of the Universities is the Arizona Board of Regents.

Arizona State University

Arizona State University was initially established in 1885 as the Arizona Territorial Normal School at Tempe, pursuant to the provisions of a bill passed by the 13th Arizona

Territorial Legislature. As the State of Arizona grew in population, the school's original mission of training teachers was steadily broadened and the institution passed through several changes in purpose and name. In 1994, Arizona State University was awarded the prestigious Research I University status, recognizing Arizona State University as a premier research institution. The 2000 Carnegie Classification recognized Arizona State University as a Doctoral/Research-Extensive University. Today Arizona State University is a fully-accredited, four-year degree-granting institution of higher learning, supported by the State of Arizona. Total enrollment for the 2016 fall semester was 98,177 and fiscal year 2016 total expenditures were \$2.2 billion.

Northern Arizona University

Northern Arizona University is a fully-accredited, four-year degree-granting institution of higher learning (Carnegie Classification: Doctoral, Public, High Research), supported by the State and governed by the Board. Northern Arizona University emphasizes undergraduate education while offering graduate programs leading to master's and doctorate degrees in selected fields. For over 100 years, Northern Arizona University's philosophy has been to preserve a friendly campus atmosphere and to maintain close student-faculty relationships through quality teaching in the classroom and through faculty guidance for each student. Northern Arizona University's 2016 fall semester total headcount was estimated at 30,368 students and fiscal year 2016 total expenditures were \$540 million.

University of Arizona

The University of Arizona is a fully-accredited, four-year degree-granting institution of higher learning, supported by the State and governed by the Board. The University of Arizona was established as a land grant institution in 1885, 27 years before the Arizona Territory became a state. Since its establishment, this institution has been closely involved in the work of educating community leaders, developing natural resources and generally improving the economic and cultural conditions of life for all Arizonans. Total enrollment for the 2016 fall semester was 43,625 students and total fiscal year 2016 expenditures were \$1.9 billion. The University of Arizona's main campus lies within the City of Tucson, Arizona, a city with an estimated 2015 population of 653,359 persons that comprises a part of the Pima County, Arizona (the "County") metropolitan area. This metropolitan area is southern Arizona's major economic, political and population center, with an estimated 2015 population of 1,205,341.

Employees and Outstanding Municipal Bonds

Together, the Universities employ approximately 30,000 employees across 750 departments that collectively support the Universities' operations. The Universities currently have approximately 65 issues of revenue bonds and certificates of participation outstanding.

Burden of Compliance

The Proposed Amendments add the following two new events to the Rule's current list of events:

(1) Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and

(2) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

A "financial obligation" is defined by the Commission to include a: (i) debt obligation, (ii) lease, (iii) guarantee, (iv) derivative instrument, or (v) monetary obligation resulting from a judicial, administrative, or arbitration proceeding.

The Commission estimates that it will take the Universities a total average of two hours per filing to actively monitor the need for an event notice, prepare the event notice, and submit the event notice to the Electronic Municipal Market Access ("EMMA") system. The Universities respectfully disagree with the Commission's time estimates. The Universities believe the Proposed Amendments will unduly burden the Universities, provide little benefit to investors, and create great confusion among market participants. We list our reasons below.

1. A significant investment of time and money by the Universities will be necessary to monitor the need for filing an event notice under the Proposed Amendments. The Universities are large, complex institutions, and are each parties to many thousands of contracts in the normal course of business, ranging from minor dollar amounts to millions of dollars. In addition, while hundreds of notices of claims are filed against the Universities each year, almost all of these notices are fully covered by the State of Arizona's insurance program, with very little, if any, impact to investors. The Proposed Amendments would require the Universities to review thousands of contracts and hundreds of notices to determine if there is a "financial obligation," conduct a materiality analysis, and then decide whether and how a disclosure is to be made. There is currently no procedure in place for the type of contract coordination that would be required to comply with the Proposed Amendments and the widely-publicized lack of funding for public universities does not permit the necessary funding to restructure the Universities' processes or hire additional staff and engage outside legal counsel at

significant expense solely to comply with the Proposed Amendments. The Proposed Amendments would administratively bog down the ability of a public university to focus on its main mission of providing access to a public education, while providing little, if any, benefit to investors.

2. The Proposed Amendments' requirement to file Emma event notices within 10 days will likely create a new cycle of compliance issues requiring the Universities to file notices on EMMA and provide non-compliance disclosures in offering statements. As the Commission knows, there are no standard EMMA disclosure forms provided by the Commission or the Municipal Securities Rulemaking Board ("MSRB"). The Universities and other municipal market issuers have been left on their own to determine the proper format and scope of event notices posted on EMMA. It would take a substantial amount of time for the Universities to review, extract, analyze, summarize, and format key contract and litigation information for an EMMA event notice covering the information required by the Proposed Amendments, something that is extremely difficult to complete within the period of 10 days of an event.

3. The Proposed Amendments will result in additional costs in the course of securities offerings. The Commission's recent Municipalities Continuing Disclosure Cooperation Initiative ("MCDC Initiative") encouraged municipal securities issuers, obligated persons, and underwriters to self-report possible securities law violations related to inaccurate representations in offering documents concerning an issuer's prior compliance with its continuing disclosure obligations. However, the Commission's regulatory and enforcement divisions' position to not provide clear guidance on what constitutes materiality has resulted in disclosure of every possible instance of non-compliance in offering documents, whether such non-compliance is material or not, especially given the environment caused by cease and desist orders issued by the Commission against many underwriters, including those who serve as underwriters to the Universities' issuances. The Universities would expect an even lengthier and more in-depth due diligence process to result from the Proposed Amendments, which would substantially increase the Universities' continuing disclosure obligations.

4. There is likewise another "material" standard under the Proposed Amendments related to financial obligations and agreements with no clear guidance from the Commission. Without clear guidance from the Commission or narrowing the scope of financial obligations that are required to be reported, the Universities would be forced to consider whether a \$100,000 payment by the Universities in a wrongful termination case or an equipment lease for medical equipment would be material and, thus, require filing an event notice pursuant to the Proposed Amendments. Considering the very conservative position on materiality taken by the Commission under the MCDC Initiative, the Universities may be forced to treat far more financial obligations and agreements as material for purposes of the Proposed Amendments than legally required under federal securities law merely to avoid a potential violation of the Rule and resulting consequences. In addition, there will be greater opportunities for

disagreement between an underwriter and a university as to what constitutes materiality, which may unintentionally create a new continuing disclosure compliance failure that will likely be disclosed in offering documents, whether material or not.

5. Once the Universities determine that a particular contract or judgment should be disclosed, it would then be required to determine whether to post a summary of the terms of the financial obligation or the entire document creating such obligation, such as a lease. The combination of the lack of materiality guidance and the indirect regulation of the Universities through underwriters will very likely result in the posting on EMMA of entire documents creating financial obligations, with no analysis or summarization. As described in more detail below, this result is not optimal, or even helpful, to municipal market investors.

The National Association of Bond Lawyers ("NABL") submitted comments to the Commission on April 11, 2017 that estimates the actual burden on municipal market participants, in terms of hours spent to comply, under the Proposed Amendments to be more than 100 times greater than the Commission estimates. The Universities believe the NABL estimates to be more in line with the actual burdens imposed on the Universities under the Proposed Amendments.

Benefit and Cooperation

The Universities believe there is a better approach to providing investors with relevant information than an approach that encourages issuers to “dump” information onto investors without regard to relevance or materiality, which is a disservice to investors. Instead, the Commission should narrow the scope of financial obligations that are required to be disclosed and provide clear guidance on the materiality standard that issuers and obligated persons could rely upon in making their determination.

In addition to amending the Rule to add disclosure requirements, the Universities believe the Rule should be amended to eliminate outdated disclosure requirements, such as rating changes and failures to file notice requirements, as this information is already otherwise available to investors on EMMA in almost real-time. Public universities are among the many diverse participants in the municipal market and would welcome a cooperative effort among the Commission, the MSRB, and municipal market participants to reach a disclosure regime for higher education institutions that is both feasible for the institutions and helpful for investors.

Sincerely,



Arizona State University

By: Joanne Wamsley

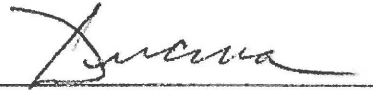
Title: Vice President for Finance and
Deputy Treasurer



Northern Arizona University

By: Bjorn Flugstad

Title: Chief Financial Officer and Vice
President



University of Arizona

By: Duc Ma

Title: Interim Associate Vice
President