



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



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August 31, 2009

Mary Schapiro
Chair
United States Securities and Exchange Commission
Via electronic mail

Re: Proposed Amendment to Municipal Securities Disclosure
File S7-15-09

Dear Ms. Schapiro:

I support the Commission's effort to improve the quality and timeliness of municipal securities disclosure. The proposed changes should benefit the goal of helping investors make more knowledgeable investment decisions.

The County of Los Angeles is willing and able to comply with all of the proposed reporting requirements for events under its control. I do object, however, to any time constraint for reporting events not under our control, notably: rating changes. Beginning in 2007, obtaining relevant and specific rating change information from rating agencies has become highly burdensome due to the mass rating changes that resulted from downgrades of municipal bonds with insurance credit enhancement. Adding a 10-day issuer-reporting requirement surely will compound that burden – to an extent that may well impede compliance for many issuers.

Given that rating changes are important information for investors, a far more efficient and effective way to provide investors with prompt reporting of those changes, is for rating agencies to report those changes directly to an appropriate portal. I propose that the Commission adopt a rule that rating agencies submit reports of rating and status changes directly to EMMA within 10 days. Simultaneously, the Commission should remove rating changes as a reportable event under rule 15c2-12. A requirement by rule instead of a continuing disclosure agreement with a broker-dealer would not only provide greater access and more timely information to investors, but would also assist broker-dealers in complying with their responsibilities under securities laws.

Mary Schapiro
August 31, 2009
Page 2

Rating changes reported directly by the rating agencies would improve the timeliness and accessibility of all rating changes to the public. The public investor would have prompt access to all rating and status changes instead of being limited to rating changes under continuing disclosure agreements. Rating agencies can be encouraged to develop computer-to-computer filing systems to report changes that are far more effective and cost efficient than the current systems. Eliminating issuers from reporting requirements will also reduce the probability of errors that may occur in the current process. Information systems developed by the rating agencies should far exceed the effectiveness, and cost significantly less than, systems developed by thousands of issuers.

The County of Los Angeles supports the Commission's goal of greater transparency in the municipal securities market. Adopting a regulatory requirement that rating agencies submit all rating changes directly to EMMA would help to achieve this objective. In summary, if the goal is to have the best and most timely disclosure on ratings changes, go to the source.

Thank you for the opportunity to comment on the proposed amendment. If there are follow-up questions I can be reached at (213) 974-7175.

Very truly yours,



Glenn Byers
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Public Finance and Investments