

ROBERT SPRAGUE

OHIO TREASURER

October 21, 2024
Secretary Vanessa Countryman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Financial Data Transparency Act, File No. S7-2024-05
Via electronic submission: [SEC.gov – Financial Data Transparency Act Joint Data Standards](https://www.sec.gov/financial-data-transparency-act-joint-data-standards)

Dear Secretary Countryman,
As Ohio Treasurer, I am writing to provide comments on the Financial Data Transparency Act (FDTA).

In the Ohio Treasurer's office, we pride ourselves on being trusted stewards of public monies, wise investors in our state's future, and bold innovators committed to improving people's lives. Strong financial transparency and standards are critical to carrying out that mission, and the reporting requirements states must currently follow are – in fact – significant. However, I do have concerns over the prospect that the FDTA will result in unnecessary overreach, create new unfunded mandates, and prove overly burdensome for smaller government entities.

Federal Overreach and the 10th Amendment – The FDTA's new regulatory framework challenges the 10th Amendment's preservation of states' rights. Due to their uniqueness and the role they play in local governance, municipal bonds have long been exempt from federal securities registration and reporting requirements. However, the FDTA will change this by imposing federal reporting requirements on municipal issuers and disrupting the balance between state and federal authority. I oppose this change, as it will create unnecessary federal encroachment into state financial matters.

Unfunded Mandates and Increased Costs – The FDTA will increase the costs and complexity of issuing municipal bonds. State and local governments are facing a new unfunded mandate and additional regulatory compliance burdens that will drive up the costs of critical public projects. These increased expenses will be passed on to taxpayers and result in unnecessary delays and cancellations. Furthermore, the FDTA's potential one-size-fits-all approach is short-sighted as it does not account for the diverse financial and operational capacities of municipalities across the country.

Disproportionate Impact on Smaller Municipalities – The FDTA places added and unnecessary burden on smaller municipalities. Unlike larger municipalities that possess greater means and resources, smaller governments often operate with limited staff and budgets. The FDTA's demands for additional reporting and transparency standards place an inequitable strain on these smaller entities, potentially limiting their access to bond markets and reducing their ability to finance essential infrastructure projects.

The FDTA presents unwarranted new costs and burden to smaller municipalities and governments while also creating a new and adverse level of federal overreach. In light of this, I respectfully urge the SEC to reconsider the scope and application of the FDTA's Joint Data Standards. I ask that any new requirements are carefully tailored to avoid unnecessary federal overreach, unfunded mandates, and undue burdens on smaller municipalities. It is paramount that our local governments retain the flexibility and autonomy necessary to serve their constituents effectively without excessive federal intervention.

Thank you for considering these comments, and I look forward to further discussions on how to better balance transparency and efficiency without compromising the financial well-being of our state and local governments.

Sincerely,



Robert Sprague
Ohio Treasurer