



Vanessa Countryman
Secretary
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](https://www.sec.gov) | Financial Data Transparency Act Joint Data Standards

October 21, 2024

On behalf of the City of Centralia Washington, we write today to provide comments on S7-2024-05, the Proposed Rule to establish data standards and impose other mandates to implement the Financial Data Transparency Act. As a government/entity with outstanding bonds and looking to access the bond market in the future – the city operates as a full-service general government municipality offering Water, Wastewater, Stormwater, and Electricity in addition to general governmental services– we are very interested in how the federal government will develop this and additional rulemaking. We are concerned about how this will impact how our government prepares financial and disclosure information.

We concur with comments made by issuer organizations, especially the Government Finance Officers Association and urge regulators to carefully review these comments. GFOA's more in-depth analysis and discussion of the concerns of the issuer community strongly reflect what we are likely to experience here in the City of Centralia.

The City of Centralia supports strong financial transparency and standards, and we believe that the reporting practices we and other governments provide are already significant. We are currently beginning a migration to a new financial software platform that will better align with financial reporting goals and help us comply with issuing our financial statements in accordance with Washinton State Auditor's Office BARS Manual Guidance which provides standardized reporting requirements for all forms of local government in Washington State. The BARS guidance for compliance with current financial reporting requirements for continuing disclosure. Our budget documents and financial statements are published on our website for the public to view after adoption and or audit.

While we stand by our robust reporting standards, we are aware that the SEC and other regulators may continue with efforts to impose mandates on how our financial information is submitted to regulators. Regulators must avoid any actions that would conflict with the Tower Amendment, and provisions in the FDTA prohibiting any new disclosure requirements. Additionally, the SEC should strongly consider utilizing the provision in the FDTA to scale implementation and mandates of the law in our sector and avoid burdening small governments and entities. The SEC should focus on minimizing "market disruption" and we can focus on what is practical and feasible. This will help to minimize costs for our taxpayers and limit the possibility of disruption in the municipal securities market.

Changes to the way we develop our financial information into a structured data format could take considerable staff time and resources to find consultants and programs to comply with these mandates. Specifically, we estimate implementation may cost between \$75,000 and \$125,000 for our entity for making modifications to our pending ERP and training for our staff to be able to report information another format that would differ from the Washington BARS standard and having that report audited by the state auditor. The ongoing costs are estimated to be \$20,000 and \$30,000.

We understand that there are other elements of the rulemaking that could also be imposed on issuers and others in the municipal securities market. As regulators consider these items going forward, they need to be aware that the elements that apply to corporate entities and the federal government face greater hurdles for local governments, including the City of Centralia, as we have fewer resources and increasing demands from residents and requirements from state and federal mandates.

The best way for the SEC and other regulators to understand how governments like ours currently prepare financial and disclosure information, and to understand how any new mandates would affect us and work in our sector is to have conversations with us. The law calls on regulators to consult with issuers and other market participants, and that should be the first step of many, as this proposed rule is finalized, and additional rulemaking is developed.

This law is an unfunded federal mandate on the City of Centralia and tens of thousands of others across the country. We hope that the examples and information we provided, as well as ongoing conversations, will assist in thoughtful and workable rules that, if needed, our government can easily implement without extensive burden. The development of the FDTA implementation should provide assistance to medium and small governments to offset the cost or should provide a ladder approach that allows for a long ramp up period focusing on the largest governments first.

Thank you for the opportunity to submit these comments. We welcome the opportunity to discuss any of these issues in greater detail with regulators as the process moves forward.

Sincerely,

A handwritten signature in blue ink, reading "Bret D. Brodersen". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Bret D. Brodersen
Finance Director City of Centralia