

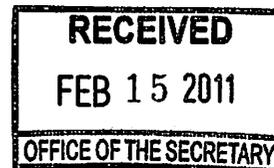
GOTTLIEB FISHER PLLC



ATTORNEYS AT LAW

February 11, 2011

Ms. 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:

We, the trustees of the undersigned public library districts located in the state of Washington, write to comment on Rule 15Ba1-1 (the "Proposed Rule") under the Securities Exchange Act of 1934, as amended (the "Exchange Act), proposed by the Securities and Exchange Commission (the "Commission") pursuant to its Release No. 34-63576 (the "Release").

Each of the undersigned library districts is a municipal corporation established and organized to provide free public library services within its jurisdiction pursuant to the laws of the state of Washington. Each of the undersigned has the power to levy general property taxes within its jurisdiction, both with and without a public referendum, and each has the power to incur indebtedness.

By law, each of the undersigned library districts is governed by a five or seven member board of trustees, all of whom are appointed to staggered five or seven year terms by the elected legislative bodies of the sponsoring county (or counties).¹ No trustee may serve more than two consecutive terms. By statute, all such trustees may be removed for "just cause" by the appointing legislative bodies after a public hearing upon a written complaint stating the grounds for removal.² In addition, all such trustees are subject to the State's statutory code of ethics for municipal officers, violations of which are grounds for forfeiture of office.³

Washington library district trustees have the statutory power and directive to take all actions necessary for the orderly and efficient management and control of the library district, such as employing librarians, acquiring library materials and acquiring and maintaining facilities and controlling the finances of the library district.⁴ This latter function includes, among other things, the power to authorize the issuance of municipal securities in evidence of library district indebtedness, when appropriate.

¹ Revised Code of Washington ("RCW") 27.12.190.

² *Id.*

³ See chapter 42.23 RCW.

⁴ RCW 27.12.210.

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As noted in the Release, the Commission intends the Proposed Rule to give effect to amendments to the Exchange Act resulting from provisions of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act requiring registration of municipal advisors with the Commission. According to such legislation, a “municipal advisor” means, in pertinent part:

a person (who is not a municipal entity or an employee of a municipal entity)—that provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues...⁵

A “municipal entity” is defined in the legislation as:

any State, political subdivision of a State, or municipal corporate instrumentality of a State, including – (A) any agency, authority or instrumentality of the State, political subdivision, or municipal corporate instrumentality; (B) any plan, program, or pool of assets sponsored or established by the State, political subdivision, or municipal corporate instrumentality or any agency, authority, or instrumentality thereof; and (C) any other issuer of municipal securities.⁶

The term “employee of a municipal entity” is not defined in the legislation.

Pursuant to the Release, the Commission proposes to interpret the exclusions from the definition of municipal advisor for municipal entities and their employees to encompass only actual municipal employees, as well as those members of the governing body of a municipal entity who are either directly elected to that position or who are serving in that capacity *ex officio* by virtue of holding another elective office. In the Release, the Commission articulates its belief that appointed members of a governing body of a municipal entity are specifically not to be excluded from the definition of a municipal advisor, reasoning that employees and elected members are accountable to the municipal entity for their actions, but appointed members are not.⁷ At the invitation of the Commission, we respectfully dispute the appropriateness of this distinction.

We believe that, at least in the case of the appointed trustees of Washington library districts, the Commission’s underlying conclusion that we are somehow less accountable to our respective library districts than we might be if we were actual employees or were elected to our positions is incorrect. We are accountable to the electorate by virtue of our appointment by directly elected county legislative bodies. Those elected officials also have the specific legal authority to remove us at any time for “just cause.”⁸ We submit that this removal remedy is substantially similar to the means by which we, as governing body members, might hold our own municipal employees

⁵ 15 U.S.C. 78q-4(e)(4)(A)

⁶ 15 U.S.C. 78q-4(e)(8)

⁷ Release, Section II.A.1.c.

⁸ RCW 27.12.190.

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(who are clearly excluded from the definition of “municipal advisor”) accountable for their actions, and it is even more effective than the more cumbersome procedures by which directly elected officials are held accountable, such as infrequent elections or the extraordinary procedures for impeachment or recall. Given that the mechanisms by which we may be held accountable are at least as accessible as those that apply to our employees or our elected brethren it would be illogical to require us, or those others like us who are appointed members of the governing bodies of other municipal entities, to submit to greater federal regulation when we perform those of our statutory duties that relate to the issuance of municipal securities.

The reason that we are so concerned about the Commission’s proposal is that it would result in a significant administrative burden on the appointed members of the governing bodies of municipal entities, most of whom, like us, are community-minded volunteers. In our case, we volunteered to become library district trustees because we are dedicated to the establishment and provision of free public library services and free access to information to promote an informed and educated citizenry. While the issuance of municipal securities is among our statutory powers, for most of us, it is an infrequent part of our duties. Given that reality, the Commission’s proposal to subject us to regulation as municipal advisors when that issue arises and the resulting need to complete the lengthy and burdensome proposed Form MA-I and pay any associated fees will most certainly work to dissuade qualified future candidates from volunteering for this important work.

We respectfully request that the Commission acknowledge that appointed members of the governing bodies of municipal entities, such as our public library districts, are equally accountable to the citizens of those entities, and for that reason, should be exempted together with the employees and directly elected or elected *ex officio* governing body members of municipal entities, from any regulation as “municipal advisors” under the Proposed Rule. Thank you for your consideration.

Respectfully submitted,

Board of Trustees
King County Rural Library District

Board of Trustees
Fort Vancouver Intercounty Rural Library District

Board of Trustees
Pierce County Rural Library District

Board of Trustees
LaConner Rural Partial-County Library District

Board of Trustees
Sno-Isle Intercounty Rural Library District

Board of Trustees
Spokane County Rural Library District

Board of Trustees
Walla Walla County Rural Library District

Board of Trustees
Whitman County Rural Library District