

OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



JOHN BOHLINGER
LT. GOVERNOR

February 17, 2011

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

RE: File Number S7-45-10

Dear Ms. Murphy:

I write in response to a proposed rule requiring members of public boards who advise on the issuance of municipal securities to register as municipal advisors. I believe this requirement is a tremendous overreach by both the Securities and Exchange Commission' (SEC) and the Municipal Securities Rulemaking Board's (MSRB) administrative authority and would cause incredible difficulties, if not render it impossible, to find individuals to serve on these important boards.

Montana citizens serving on this type of board are appointed to represent the public. Rather than expect these citizen board members to have a professional level of financial expertise, these boards are able to hire municipal advisors and other financial experts to provide the technical expertise for transactions boards are considering for financings.

Montana's constitution and statutes provide the transparency that assures appointed members of all citizen boards accountable. Montana's open meetings law requires notification to the public of proposed actions, provides a time for "public comments", with meeting notices typically posted at least one week prior to the meeting. Additionally, bonds issued for non-governmental purposes require a TEFRA public hearing process.

Within the parameters set by statute, I work very hard to ensure our boards and council "look like Montana." Geographic, gender, race and specific qualifications are taken into consideration to ensure balanced and representative boards. Some of the statutory qualifications of boards impacted by this rule, for example, "a representative of the agriculture industry" could not be filled if I could only appoint a registered municipal advisor.

Montana finance programs that rely upon appointed board members for their bond issues, actively train those generous volunteers in governance responsibilities. Ethics of such board members are governed by Montana statute. I strongly suggest that the SEC and MSRB should not attempt to regulate matters that are within the jurisdiction of the State of Montana.

For these reasons, I urge the SEC and MSRB in the strongest possible terms to amend the proposed rule to exclude appointed board members from the definition of municipal advisor. Should you have any questions concerning this request, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Schweitzer".

BRIAN SCHWEITZER
Governor of Montana

cc: John Marchi Chairman, Montana Facility Finance Authority
JP Crowley Chairman Montana Board of Housing
Terry Moore Chairman, Montana Board of Investments
Clayton Christian Chairman, Montana Board of Regents