



Tennessee Municipal League

February 18, 2011

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Dear Chairman Schapiro and Members of the Commission:

Thank you for the opportunity to comment on the Securities and Exchange Commission's (SEC) proposed rule that would require municipal advisors to register with the SEC.

The Tennessee Municipal League (TML), representing 346 cities and towns, is a voluntary, cooperative organization established more than 70 years ago to provide mutual assistance to cities and towns across the state. TML works to educate city officials, communicate municipal priorities, and advocate for municipal interest.

In its proposed rule, 34-63576, the SEC has stated that elected members, elected ex-officio and employees of a municipal entity's governing board are exempt from the definition of "municipal financial advisors." However, non-elected (appointed) members of a governing board would be considered to be municipal financial advisors. Anyone serving as an appointed member of a governing body, where municipal bond and investment issues are discussed, would be considered a municipal advisor and subject to SEC rules for municipal financial advisors.

While the League supports your efforts to ensure that sound financial advice is provided to municipal entities, the SEC's new proposal to include appointed members of a governing board in its registration requirement would place an additional burden on volunteer board members by subjecting them to federal SEC fiduciary responsibilities and rules, as well as cumbersome reporting requirements.

Local governments depend on volunteers to serve on appointed boards that help facilitate community planning, industrial recruitment, improvements to the public infrastructure, downtown development, blight remediation, regional transportation planning, and sound employee pension planning. The proposed rulemaking's reach would negatively affect local governments' ability to recruit knowledgeable individuals who are willing to sacrifice their personal time for the betterment of their community. Valuable talent and expertise will be lost because appointed

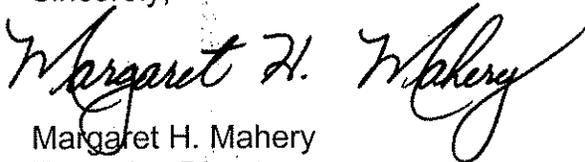
officials will not want to subject themselves to additional regulations of the SEC. Their advice is not only valuable, but is often representative of a community's true intent as they offer their advice on the best course of action for a local government.

Most individuals asked to serve on the governing boards do so absent compensation. The cost to comply with new regulations will be significant.

In addition, the proposed rule fails to recognize the appropriate steps taken by local governments to protect the tax dollars in which they have been entrusted. These volunteers are often appointed by elected officials and subject to the same open meetings laws, public record laws, and code of ethics as entities governed by elected officials.

Again, we appreciate this opportunity to comment. However, the Tennessee Municipal League opposes the proposed definition of municipal advisors to include appointed members and the employees of appointed bodies. Instead, TML insists that the SEC exclude all governing body members and employees of appointed bodies from the municipal advisor definition.

Sincerely,



Margaret H. Mahery
Executive Director

MHM/ml

Cc: Senator Lamar Alexander
Senator Bob Corker
Representative Diane Black
Representative Marsha Blackburn
Representative Steve Cohen
Representative Jim Cooper
Representative Scott DesJarlais
Representative John J. Duncan, Jr.
Representative Stephen Fincher
Representative Chuck Fleischmann
Representative Phil Roe
Mayor Sam Tharpe, TML President
National League of Cities (NLC)