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VIA EMAIL AND REGULAR MAIL

February 21, 2011

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

**Re: Commission File Number S7-45-10; Release No. 34-63576 –
Registration of Municipal Advisors**

Dear Ms. Murphy:

This letter is submitted on behalf of Port Authority of Allegheny County (“Port Authority”) in response to Release No. 34-63576, File No. S7-45-10 (the “Release”) pursuant to which the Securities and Exchange Commission (the “Commission”) has requested comments on certain proposed rules (the “Proposed Rules”) to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

The following comments specifically relate to the tentative decision by the Commission in the Release to include appointed board members in the term “municipal advisor” as defined in the Proposed Rules. The Commission has requested comments on the Proposed Rules including its interpretation of the term of “municipal advisor” and the proposed exclusions therefrom. For the reasons set forth below, Port Authority respectfully disagrees with the Commission’s proposal to include appointed members of a municipal entity in the definition of “municipal advisor” and not include such members in the proposed exclusions.

Port Authority is a body corporate and politic, exercising the public powers of the Commonwealth of Pennsylvania as an agency thereof, which was created pursuant to the Port Authorities in Counties of the Second Class Act, 55 P.S. §§ 551, *et seq.* As such, Port Authority is a “municipal entity.”

Port Authority is governed by a Board appointed by the County Executive of Allegheny County, an elected official, and approved by the County Council for Allegheny County which consists of elected officials. The Board, which consists of nine members, currently includes one elected official.

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Port Authority engages in various activities pertaining to the providing of public transportation within Allegheny County, which activities include, from time to time, the issuance of revenue bonds to assist in the providing of transportation services. The issuance of any revenue bonds must be authorized by a resolution approved by Port Authority's Board. In approving any such issuance, the members of Port Authority's Board receive and review information and input from various financial advisors.

The members of Port Authority's Board are subject to removal for cause by the Court of Common Pleas of Allegheny County. Additionally, all members of the Board are subject, among other things, to the State Ethics Act, a Board adopted policy pertaining to ethical conduct and open meeting and public record laws.

In the Proposed Rules, the Commission discusses the exclusion of employees of a "municipal entity" from the definition of "municipal advisor" and in such discussion, the Commission specifically rejects the proposal to exclude appointed members of the governing body of a "municipal entity" from the term "municipal advisor," but does propose to exclude "elected officials" from the defined term. The only rationale provided in the Release for this distinction is the statement that "appointed members, unlike elected officials and elected *ex-officio* members, are not directly accountable for their performance to citizens of the municipal entity." Port Authority believes that the Commission's limitations on the exclusions from the term "municipal advisor" in the Proposed Rules are too narrow and are not consistent with the underlying rationale for the Dodd-Frank Act. Instead, Port Authority believes that the Commission's interpretation of the exclusions from the term "municipal advisor" will have a significant harmful impact on the operations, not only of Port Authority, but other transportation and public authorities throughout the country. Accordingly, Port Authority respectfully requests that the Commission reconsider the Proposed Rules and modify its position on the exclusions from the term "municipal advisor."

The term "municipal advisor" is defined in the Proposed Rules as essentially, in part, "a person (who is not a municipal entity or an employee of a municipal entity) that (i) 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 . . . ; or (ii) undertakes a solicitation of a municipal entity". In the Release, the Commission thereafter elaborates on the definition of the term "municipal advisor" and on the exclusions from the definition. Based thereon, the Commission believes that the exclusion for "employees of a municipal entity" should include any person serving as an elected member of the governing body of the municipal entity and also, appointed members of the governing body to the extent such appointed members are *ex officio* members of the governing body by virtue of holding an elective office. However, the Commission does not believe that appointed members should be excluded from the definition of "municipal advisor." If so adopted, the Proposed Rules would impose on volunteer appointed board members a duty, among other things, to register as "municipal advisors" irrespective of the fact that such individuals do not dispense any investment advice.

By creating a distinction between elected board members and appointed board members, the Commission would create a class of appointed board members who would suddenly be deemed to be “municipal advisors.” This distinction is inappropriate and not necessary to accomplish the objectives of the Dodd-Frank Act. The governing body (board) of a municipal entity, such as Port Authority, regardless of whether its members are elected, appointed or a combination of the two, does not act in an advisory capacity, but instead acting on advice, makes decisions and determinations for the municipal entity. In fact, such governing body is, in many ways, the municipal entity itself. Therefore, such individuals are not giving, and should not be deemed to be providing, “advice” or be deemed to be a “municipal advisor.”

If the Proposed Rules are not modified to exempt appointed board members from having to register or otherwise comply as “municipal advisors,” then the majority of Port Authority’s Board members, as well as the board members of other similarly situated public entities, would be subject to registration, as well as various oversight and record-keeping obligations. Such requirements would clearly create a significant impact on Port Authority’s ability to continue to attract well qualified and diverse candidates to serve on its Board. The requirement to register as municipal advisors would also impose a financial burden on prospective and current appointees and may likely lead to some current appointed Board members to resign, especially considering that they are not compensated for their significant services to Port Authority.

As stated above, the Commission’s only support for not exempting appointed board members is its stated belief that, unlike elected officials, they are not directly accountable for their performance to the citizens of the municipal entity. However, as discussed above, all of Port Authority’s Board members owe a fiduciary obligation not only to Port Authority, but to the citizens of Allegheny County and are not only subject to removal for cause, but are subject to various proceedings if they violate, for example, the State Ethics Act. As such, contrary to what the Commission contends, all of Port Authority’s Board members, both appointed and elected, are already fully accountable for their actions.

Furthermore, it is Port Authority’s position that because Port Authority can only act through its Board, the decision to authorize and approve revenue bond issuances and other financial transactions, as well as all review, discussion and other actions of the members of its Board as part of the process leading to such authorization, does not constitute “advice” to or on behalf of a municipal entity. Rather, in such instances, the Board is *seeking* advice from staff and professional consultants and rendering a decision based upon same as opposed to giving “advice” as contemplated by the Proposed Rules. As such, Port Authority’s Board members should not have to otherwise register as municipal advisors.

Accordingly, for the reasons set forth above, on behalf of Port Authority, I urge the Commission to clearly provide in its final rules that all board members of a municipal entity, whether elected or appointed, are exempt under the Rules and that all statements made or positions taken by any board member of a municipal entity not be considered to be advice if the

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statements are made or the actions are taken as part of a deliberative or decision-making process of the Board.

Port Authority appreciates the opportunity to comment on the Proposed Rules. If you have any questions or would like to discuss the submitted comments, please do not hesitate to contact me at (412) 566-6197.

Sincerely,



Joel L. Lennen

JLL/laa