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**ARIZONA HEALTH FACILITIES AUTHORITY**

*"Financing the Future of Healthcare in Arizona"*

February 1, 2011

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

RE: File Number S7-45-10

Ms. Murphy,

Thank you for the opportunity to comment on the proposed rule governing the registration requirement of municipal advisors.

The Arizona Health Facilities Authority was established in 1974 by the Arizona Legislature. Its purpose is to improve access to healthcare services of Arizona's residents through the provision of low cost capital. The Authority's seven board members are appointed by the Governor and confirmed by the Arizona Senate to staggered seven year terms. All of the board members are volunteers. We receive no pay for our duties and public service.

We are deeply concerned that the proposed rule to require registration with the SEC of appointed board members as municipal advisors is both inappropriate and likely to impact our ability to remain on the board.

We are not municipal advisors. As members of the Authority's Board we ask questions of bond financing applicants and make decisions to approve the bond issuance based on the information we receive from our staff and advisors as well as from the borrower and its financing team of professionals. Each board member brings their experience, expertise and wealth of knowledge to the discussion with the potential borrower. Under the proposed rules, it appears that our questions of, and discussions with, the applicant and the inclusion of bond term parameters in our approving resolution may very well be interpreted as "providing advice," and would, in turn, obligate us to register as a "municipal advisor." A mandate to register as municipal advisors misleads the public about individual skill sets which we neither claim, promote nor utilize in the course of our Board responsibilities. This may result in a reluctance to participate in discussions or perhaps even vote.

This Board, like many others across the country, relies on the voluntary application of our collective expertise. In our case we do this for the noble purpose of improving health care in Arizona. The proposed rule places significant burdens on us individually and on the Authority. Each of us will have to assess if these additional burdens justify our continued participation on the Board. More importantly, we believe few members of the public will willingly submit to this

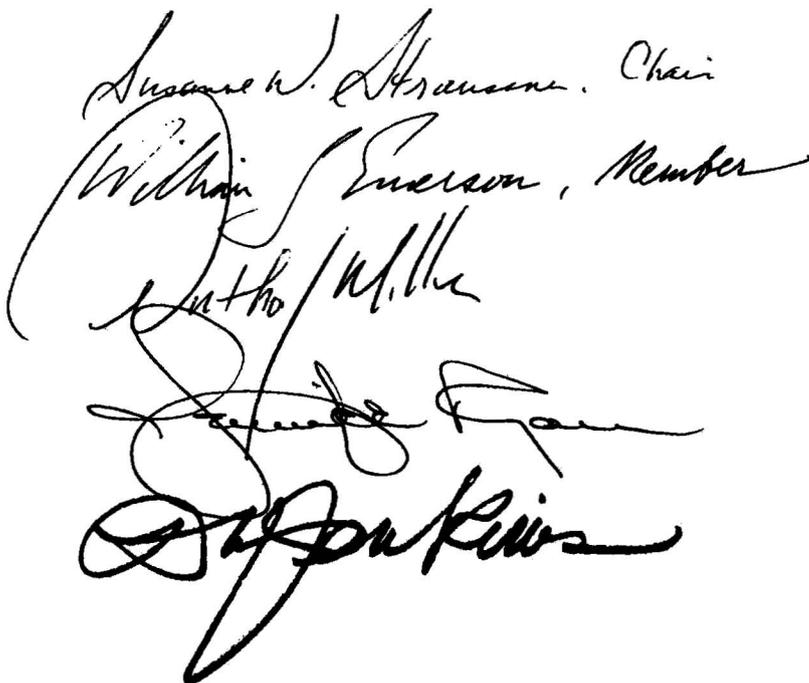
regulation. This will likely hamper the Authority's ability to operate with a full complement of members or attract experienced board members. The former curtails Arizona's ability to issue tax-exempt financing for critical health care projects. The latter significantly diminishes the health care expertise and knowledge of rural and medically underserved populations that this board applies to its decisions.

The proposed rule excludes elected officials from registration under the premise that they are uniquely accountable to the public. Although our board is comprised solely of appointed members, we do not believe we are distinguishable from elected officials serving on similar Health Authorities in other states. We are appointed, confirmed, renewed, replaced and potentially removed from our positions by elected officials. We are subject to rules and regulations which assure accountability and transparency to the public. We are at a loss to identify a single board related duty that would distinguish an elected official from an appointed board member.

We respectfully request that you amend the proposed rule to also exclude appointed board members from the requirement to register with the SEC as a municipal advisor.

Sincerely,

The Directors of the Board of the Arizona Health Facilities Authority



*Suzanne W. Abramson, Chair*  
*William Emerson, Member*  
*Anthony Miller*  
*James Fran*  
*John Rivers*