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February 22, 2011

Elizabeth M. Murphy
Secretary, U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549



Submitted Electronically and via First Class U.S. Mail

Secretary Murphy:

JEA takes this method and opportunity to submit the following comments in reference to the Securities and Exchange Commission's ("SEC" or "Commission") proposed rule, "Registration of Municipal Advisors," published in the Federal Register on January 6, 2011.

E L E C T R I C

W A T E R

S E W E R

COMMENTS OF JEA

IN RESPONSE TO THE REGISTRATION OF MUNICIPAL ADVISORS: PROPOSED RULE

File No. S7-45-10

BACKGROUND

JEA is a municipally owned Electric, Water and Waste Water Utility serving over 1,100,000 people in Northeast Florida. JEA is the largest community-owned utility in Florida and the eighth largest in the United States. We are committed to our purpose--to improve the quality of life in the communities we serve, with a spirit that has united our business for more than 100 years. JEA, an independent authority of the City of Jacksonville, is governed by a seven member, unpaid, Board of Directors appointed by the Mayor and approved by the City Council.

GENERAL COMMENTS

As a public utility and active member of the American Public Power Association ("APPA"), Large Public Power Council ("LPPC") and Florida Municipal Electric Association ("FMEA"), JEA's goal is to provide reliable electric power and energy at the lowest reasonable cost, consistent with good environmental stewardship. JEA is also committed to providing safe and reliable water and wastewater services throughout Northeast Florida's service territory. JEA supports comments submitted by APPA, LPPC and FMEA in response

to the Securities and Exchange Commission's proposed rule, "Registration of Municipal Advisors" and appreciates the opportunity to comment on behalf of our utility specifically.

Boards of Directors that are appointed rather than elected should not be held to a different standard as they are both serving the communities in which they reside. JEA's board of directors is appointed and approved by elected officials; therefore they should be recognized as elected municipal boards and be excluded from the Municipal Advisor registration requirement in the proposed rule.

SPECIFIC COMMENTS

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended the Securities Exchange Act to make it unlawful for a municipal advisor to provide advice to a municipal entity with respect to municipal financial products or the issuance of municipal securities unless the advisor is registered with the SEC. The proposed rule defines "municipal employees" to include members of a municipal entity's elected governing body and to exclude members of an appointed governing body. Under this interpretation, members of an appointed utility board could be considered municipal advisors and therefore required to register with the SEC and subject to Municipal Securities Rulemaking Board (MSRB) regulation.

The proposed rule would require municipal advisors to file forms with the SEC, and information from these forms would be publically available. There may also be associated costs, training and increased time commitment required on the part of appointed board members to fulfill SEC's proposed requirements for Municipal Advisors.

JEA employs external municipal advisors under separate contract for advice on JEA's long term capital financing program. These firms are compensated for the service they provide and are required to register with the SEC and MSRB. Members of the JEA Board are responsible for providing strategic direction as well as setting policy and rate making authority for the utility. JEA's charter 21.03 (b) states members of JEA Board of Directors are "not entitled to compensation, pension or retirement benefits". As volunteers, they invest time as a board to contemplate, deliberate and make decisions in the best interest of the utility. Each member contributes his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.

Members of the JEA Board of Directors have come from a variety of industries representing the local business community, such as Engineering, Government, Health Care, and Insurance. They hold senior executive positions of leadership, including CEO, President, and Partner. These business professionals give of their time to serve in a volunteer capacity for the betterment of their community and should not be subjected to mandatory personal and financial disclosure that may hinder their full-time vocation. Prospective board members subject to the proposed requirements may choose to not serve as a municipal board member due to the Form MA-I requirement along with the Municipal Securities Rulemaking Board

registration, thereby limiting the availability of qualified and willing members of the community for board positions.

Municipal entities rely on the expertise, community leadership and civic mindedness of appointed board members. Differentiating between elected and appointed boards is contrary to the objective of fair and reasonable oversight of the community utility.

CONCLUSION

JEA appreciates the opportunity to comment on the SEC's proposed rule, "Registration of Municipal Advisors". JEA strongly urges the SEC to eliminate the differentiation between elected municipal boards and appointed municipal boards, by expanding the exclusion of appointed municipal boards from the definition of municipal advisors. This adjustment will afford public utilities the opportunity to be governed by professional, civically responsible members of their community.

Respectfully submitted,



Paul McElroy
Chief Financial Officer
JEA