



OFFICE OF THE MAYOR
CITY OF HOUSTON
TEXAS

ANNISE D. PARKER
MAYOR

February 21, 2011

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

Re: Comments to file number S7-45-10

Mrs. Murphy:

On behalf of the City of Houston, Texas (the "City"), I am responding to your request for comments to file number S7-45-10, the proposed rule gives effect to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). My comments relate to the Securities and Exchange Commission's (the "Commission") decision to include appointed members of the governing body of a municipal entity in the statutory definition of municipal advisors.

The comments below suggest some changes to the municipal advisor definition as well as perspective on the impact registration and compliance with the related rules would have on volunteers appointed to serve on local boards and commissions, and on citizen participation in local government affairs. If the rule is adopted as drafted, and if current interpretive language is left intact, the City's ability to attract qualified citizens to serve on boards and commissions would be adversely affected, potentially hindering regional management of our public transit system, port, sports facilities, and other public infrastructure.

Description of City Boards. As Mayor, I appoint (upon City Council approval) over 1500 volunteer citizens to more than 140 boards and commissions. These volunteers are vital for the City's economic, political and social growth. Many of the boards and authorities are appointed by several local governments. Many of these independent entities have direct authority to incur debt or invest public funds. All would be "municipal entities" under the Act. These entities include the Harris County Metropolitan Transit Authority, the Harris County-Houston Sports Authority, the Port of Houston, and multiple tax increment redevelopment authorities and nonprofit corporations, and they perform critical governmental functions for the region. The appointed board members are civic leaders with unique professional, community, and business expertise. These appointed officials sacrifice a great deal of their personal time in service to the City.

Impact of Registration on Appointed Officials. If the rule is adopted as drafted, appointed board members who deliberate on an underwriting syndicate or a financing structure, coordinate rating presentations, or provide advice to their respective boards regarding bond elections or investments would apparently be required to register with the Commission. These actions are routinely performed by our citizen board members in connection with their duties. If these appointed officials are required to register with the Commission, disclose business and background information, and expend the effort to comply with MSRB rules and regulations governing municipal advisors, many desirable board candidates will find the requirements too burdensome, reducing the City's pool of talent for these important governmental functions.

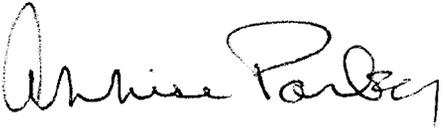
Suggested Revisions to Definition of Municipal Advisor. The Commission should exclude appointed members of a municipal entity's governing body from the definition of municipal advisor. In the proposed rule, the Commission states that appointed members are included as municipal advisors because "the Commission is concerned that appointed members, unlike elected officials and elected ex-official members, are not directly accountable for their performance to the citizens of the municipal entity." Prior to a board member's approval, both City Council and I have the opportunity to scrutinize qualifications, voice any opposition, and individually determine, as representatives of our constituents, whether an appointee is qualified to serve. Sufficient accountability for such officials performance exists. If a board member does not meet the standards expected in connection with their service, electives have every incentive to make a necessary change. If we do not, our constituents can hold us accountable at the ballot box. Further, as with elected officials, there is no effective difference between the governing body of a government entity acting within the scope of his or her official capacity and the government entity, which is already expressly excluded under the Act.

Clearly define what constitutes "advice" sufficient to trigger registration. Appointees, in the context of their routine board duties, are often asked to consider underwriting syndicates, financing structures, bond election strategies and other related questions related to municipal financial products in the issuance of municipal securities. The Commission should clearly exclude such board decisions from what constitutes "advice" sufficient to trigger registration under the Rule and provide specific guidance, including examples of facts and circumstances, which constitutes "advice" requiring registration.

Allow for active participation. As currently drafted, the Rule would restrict our ability to seek opinions from citizens with valuable expertise. For example, under the proposed rule, the City could not solicit advice on financing structures from uninterested financial professionals, local banker, or local real estate advisor unless the person registered with the Commission, a requirement which seems unduly burdensome for a citizen providing information at the City's request. The City could not appoint a citizen panel to make recommendation about the type or amount of securities to be approved at an election unless the panel registered. The proposed rule unreasonably keeps local governments from obtaining the best advice available, and keeps citizens from participating in local government in their areas of expertise.

In conclusion, as drafted, the Rule could substantially affect the City's ability to attract board appointees with sufficient experience to govern boards and commissions essential to Houston current economy and growth. It also restricts advice from interested citizens with special expertise. As a result, I urge you to consider the revisions and requested guidance described herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Annise Parker". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Annise D. Parker
Mayor