

JPMORGAN CHASE & CO.

Gregory A. Baer
Managing Director
General Counsel –
Corporate and Global Regulatory

February 22, 2011

Via Email

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

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

Dear Ms. Murphy:

JPMorgan Chase & Co. (“JPMC”) appreciates the opportunity to comment on the rules and forms (collectively, the “Proposed Rules”) proposed by the Securities and Exchange Commission (the “SEC”) in the above-referenced File Number and Release implementing a permanent registration system and regulatory program for municipal advisors under Section 975 (“Section 975”) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

JPMC is a member of the American Bankers Association and its affiliate the ABA Securities Association (together, the “ABA”), and the Securities Industry and Financial Markets Association (“SIFMA”), both of which have submitted comment letters to the SEC regarding the Proposed Rules. Like ABA and SIFMA, JPMC supports the principles underlying Section 975 that seek to establish, for the protection of municipal entities and investors, a comprehensive regulatory system to municipal financial advisors that were not previously subject to regulation. However JPMC also agrees with the ABA and SIFMA that that the Proposed Rules as currently drafted vastly expand that proposed regulatory system to cover activities of numerous persons and entities that are already subject to comprehensive federal regulation, whether by the SEC or other securities regulators or by the bank regulatory agencies. JPMC believes that Congress

J.P. Morgan Chase & Co. • 270 Park Avenue, Floor 46, New York, NY 10017

Telephone: 212-270-1553 (New York) • 202-585-3774 (Washington, DC)
gregory.a.baer@jpmchase.com

did not intend to impose such a burdensome and duplicative regulatory scheme, and that adding new layers of regulation in this area will not serve to enhance the protection of municipal entities or investors. This is particularly so with respect to the traditional banking products and services that banks provide to municipal entities, including deposits, cash management and credit, as well as asset management activities provided as a fiduciary or a registered investment advisor. Accordingly, JPMC strongly supports the ABA's comment letter, and the positions it articulates, in its entirety. We also strongly support SIFMA's comment letter in its entirety, both as it addresses issues in the Proposed Rules relative to non-bank entities and employees and as it addresses bank entity and employee issues¹ in the event that the SEC does not wish to adopt the ABA's proposed approach. We specifically emphasize with approval and support ABA's and SIFMA's proposals, analysis and discussion, where applicable, regarding:

- A deliberative, two-step approach to implementing the Proposed Rules
- The simplification of Form MA and the elimination of individual registration by employees of registrants
- The clarification of the scope and nature of the fiduciary duty,
- The need for all regulators to coordinate their regulatory activities with respect to municipal advisors, and
- The phase-in of regulation, to provide ample time for building a compliance and reporting structure and/or to curtail or eliminate services.

Conclusion. JPMC supports Congress' intent to protect municipalities and investors by regulating previously unregulated municipal advisors. However, JPMC believes that the SEC and other regulatory agencies should carefully craft the final regulatory scheme to avoid burdensome, costly and duplicative regulation where persons and entities are already subject to existing regulatory regimes.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gregory Baer" followed by a stylized flourish.

¹ We believe that ABA's and SIFMA's proposals on clarifying "advice" and "investment strategies" and their discussion of the application of the Proposed Rules to traditional banking and trust activities are important attempts to structure rules that avoid overlapping and duplicative regulation.