

February 22, 2011

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

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

Dear Ms. Murphy:

Jacobs Engineering Group Inc. ("Jacobs") submits these comments in response to the proposed rule on the registration of municipal advisors as published in the Federal Register on January 6, 2011 (the "Proposed Rule"), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), by the Securities and Exchange Commission (the "Commission"). Our comments address proposed rule 15Ba1-1.

Section 975 of the Dodd-Frank Act requires "municipal advisors" to register with the Commission. Section 15B(e)(4)(A)(i) of the Securities Exchange Act (which incorporates the provisions of the Dodd-Frank Act) defines the term "municipal advisor" as a person that "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, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues." The term "municipal advisory activities" is defined in the Proposed Rule using the same language.

Engineering

While Section 975 provides for an exemption for "engineers providing engineering advice", we are concerned that it attempts to characterize certain fundamental engineering activities as municipal securities advice.

For example, a critical component of engineering services is "cash-flow modeling". In the context of an engineering project, this means providing a cost-loaded design and construction schedule to a client or a record-keeping cash-flow analysis that facilitates the periodic reporting of design and construction services budgets and costs during project implementation. These budgeting and cost tracking tools do not provide any manner of advice or information related to the issuance of municipal securities and should be excluded from the Commission's definition of cash-flow modeling.

In its discussion of exemptions in the Proposed Rule, the Commission clearly acknowledges that advice comparing the structures, terms, or associated costs of issuance of different types of securities or financial instruments (such as fixed rate bonds or variable rate demand obligations) given by an attorney hired to advise a

municipal entity client embarking on a bond offering, would be considered to be services of a traditional legal nature, and distinguishes it from advice which is primarily financial in nature. Similarly, a cost-loaded schedule prepared by an engineer may incorporate information provided by its client regarding possible funding options in order to provide the client with a projected overview of the life of the engineering project. While this allows the client to anticipate its financial needs, it does not, and should not be deemed to, constitute municipal securities advice.

In recognizing the need for an engineering exemption from the definition of municipal advisor, Congress understood and acknowledged that engineering projects necessarily involve basic financial analysis beyond merely "costing out alternatives", but not related to advising on the structure, timing, terms or other similar matters pertaining to the issuance of municipal securities. We believe that the Proposed Rule, without clarification of the term "cash-flow modeling" and an expansion of the interpretation of "engineering advice", compromises the Congressional intent in specifying the need for an engineering exemption. The Proposed Rule may impede the ability of engineering firms to provide to their municipal clients information critical to managing their projects. Further, without clarification, the costs of registration of engineers who do not engage in financial advising and the implementation of recordkeeping systems as a precaution to ensure compliance under the Proposed Rule will be borne by municipal clients through increased overhead rates.

Management Consulting Services

Another concern we have with the proposed definitions of "municipal advisor" or "municipal advisory services" is that, notwithstanding the fact that the Dodd-Frank Act did not identify feasibility or similar studies as being within the intended scope of these definitions, the Commission has included the preparation of feasibility studies within the universe of activities which constitute municipal advisory services. We believe the Commission's inclusion of feasibility studies is inappropriate.

The primary purpose of such feasibility studies – whether prepared by accountants, engineers, or other professionals – is to evaluate the underlying need for a project or enterprise, the likely extent of activity or patronage, required fees or charges, other revenues and operating expenses, and the net revenues available to pay debt service and other financing costs. The purpose of such feasibility studies is not to advise on the structure, timing, or terms of the financing or the issuance of municipal securities.

Section 15 of the Securities Exchange Act, at 15B(e)(4)(C), makes certain exceptions to the definition of municipal advisor for, among others, "engineers providing engineering advice." In the Proposed Rule, the term "municipal advisor" is defined to include any engineer who engages in "municipal advisory activities other than providing engineering advice." In the discussion of the roles of attorneys, engineers, and other professionals (at 76 FR 834), the Commission proposes to adopt the position that feasibility studies are not considered to be within the scope of "engineering advice." We disagree and suggest that the preparation of feasibility and similar studies is often integral to the services provided by engineers and other professionals in support of projects and enterprises being financed with municipal securities.

In summary, we believe that feasibility studies prepared in connection with the issuance of municipal securities do not constitute "advice with respect to the structure, timing, terms, and other similar matters concerning financial products or issues" as intended by the Dodd-Frank Act. We believe that such studies should be excluded from the definition of municipal advisory activities and that professionals who prepare such studies should be excluded from the definition of municipal advisors.

The suggested exclusion could be achieved in one of two ways: (1) by excluding all feasibility studies and related advice provided in connection with the issuance of municipal securities from the scope of "municipal advisory activities" or (2) by including such studies within the scope of "engineering advice." In the second approach, planning, management, and other consultants and practitioners who provide such studies would need to be included within the definition of "engineers" for the purposes of the rule. Corresponding changes in Form MA, Item 4 (at 76 FR 843) would be required.

We appreciate the opportunity to comment on this rulemaking. We would be glad to discuss any of our concerns or comments with the Commissioners and the staff.

Respectfully submitted,


John W. Prosser, Jr.
Executive Vice President,
Finance and Administration

cc: Chairman Mary L. Schapiro
Commissioner Luis A. Aguilar
Commissioner Kathleen L. Casey
Commissioner Troy A. Paredes
Commissioner Elisse B. Walter
Mr. Robert W. Cook, Director, Division of Trading and Markets
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