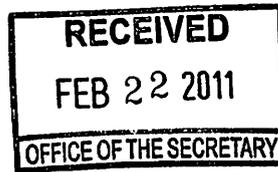


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February 14, 2011

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

RE: File Number S7-45-10

Dear Ms. Murphy:

We are writing this letter as Chancellors of The Texas A&M University System (the "A&M System") and Texas Tech University System (the "Tech System") (together "the Systems"), agencies of the State of Texas (the "State"). The Systems are governed by nine-member boards of regents (the "Boards") appointed by the Governor of the State (the "Governor") and subject to confirmation by the State Senate. Additionally, one student is annually appointed by the Governor as a non-voting regent to serve on each Board.

The Systems request that the SEC revise its interpretation of the definition of the term "municipal advisor" in Rules 15Ba1-1 to 15Ba1-7 (collectively, the "Rules") to exclude appointed board members. Appointed board members should be categorized no differently than elected board members and employees of a municipal entity. Requiring citizen volunteers to submit to SEC registration and reporting could have the unintended consequence of depleting the pool of citizen volunteers who expend their time and expertise as policymakers for the Systems, with the A&M System being one of the largest university systems in the nation.

The SEC concluded that it "is concerned that appointed members, unlike elected officials and elected ex officio members, are not directly accountable for their performance to the citizens of the municipality." The Systems respectfully request the SEC reconsider that conclusion because the Boards are, in fact, directly accountable to the citizens.

In order to be considered for the position of an appointed state officer on the Board, a potential appointee must go through a stringent application and appointment process, including filing personal financial statements. Additionally, a member of the Board is subject to confirmation hearings by the State Senate, an elected legislative body. An appointed officer must take an oath of office upon being sworn in as a state officer and is subject to the requirements and regulations provided by State ethics laws. During an appointed state officer's term, the officer is required to file financial statements yearly that include an officer's individual and family finances, securities and property owned by the officer, gifts, trust benefits or any other sources of income, as well as participation in lobbying activities and other board positions that are held by such officer. The financial statements required to be filed by appointed state officers are public records.

In addition to financial statements, Section 572 of the Texas Government Code sets forth the standards of conduct an appointed state officer must abide by and any conflicts of interest that an appointed officer may have that must be disclosed. The standards of conduct an appointed state officer is required to comply with under section 572.051 of the Texas Government Code include the duty to maintain independent judgment, avoid conflicts of interest, not solicit or accept benefits for exercising one's duties and not disclosing confidential information. The Texas Ethics Commission oversees and enforces the laws governing state officers. Any complaints against a state officer are filed with the Texas Ethics Commission, and if the commission finds the officer in violation of Texas ethics laws, civil enforcement action can be taken, including civil penalties, and the commission can refer the matter to the state prosecutor's office for criminal prosecution. In addition to civil and criminal penalties, an appointed state officer can be impeached from office.

All action by each Board is subject to open records in accordance with State law and all meetings are recorded and available to the public. Therefore, there is an extraordinary amount of oversight and accountability an appointed state officer such as each Board are subject to under State law and these requirements must be taken into consideration by the SEC in stating its concern that appointed state officers are not directly accountable to the citizens it serves. State law already provides strict standards of conduct and penalties for violation of such standards.

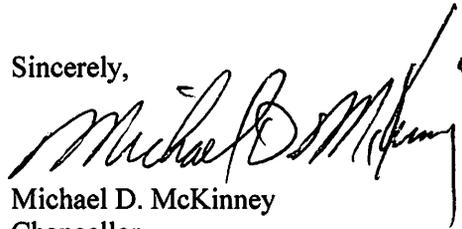
The Systems respectfully disagree with the SEC's rationale for treating appointed board members differently from municipal employees and elected board members. A more reasonable and effective interpretation would distinguish between consultation and solicitation versus policymaking. Board members, appointed or elected, perform the function of policymaking and approving certain decisions of their staff. A board's function is to guide an organization in order to meet its constitutional and statutory objectives. Board members are not advisors or consultants in that they are responsible for making final decisions on behalf of the municipal entity. The duty of every A&M System and Tech System board member to the Texas State constitution and statutes is not based on appointment, employment or election. Each board member takes the same oath as elected officials in Texas and, just as important, is subject to liability for fraud and subject to suit for malfeasance. Further, the Systems board members are subject to strict statutory conflict of interest restrictions.

The SEC's interpretation will impose a heavy burden on municipal entities such as the Systems when the benefits are unclear. Municipal entities rely on the expertise, community leadership and civic responsibility of appointed board members. From large universities, tollway authorities and airports to the smallest local economic development corporation, citizen participation on boards is essential to operating important institutions. Many are leaders in their professions and provide invaluable information and insight to the municipal entities they serve. Valuable talent will be lost because prospective Systems board members will not want to subject themselves to the additional regulations of the SEC. The extent to which the Rules will dissuade talented people from serving on boards cannot be measured. However, for states and municipal entities such as the Systems that rely on volunteers the risk of depleting the pool of talented citizens far outweighs the benefit of requiring appointed board members to register with the SEC.

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Thus, the Systems request that the SEC revise its interpretation of the term “employee of a municipal entity” to include appointed board members. All board members perform the function of policymaking and decision-making and should be treated as such. Appointed board members are, in many ways, more accountable than municipal employees and compensated elected officials. Moreover, the Systems and other municipal entities will pay a high price for the Rules as they will deplete the pool of talented civic volunteers willing to serve on boards.

Sincerely,



Michael D. McKinney  
Chancellor  
The Texas A&M University System



Kent Hance  
Chancellor  
Texas Tech University System

cc: The Honorable John Cornyn  
United States Senator

The Honorable Kay Bailey Hutchison  
United States Senator