

METROPOLITAN AIRPORTS COMMISSION

Minneapolis-Saint Paul International Airport

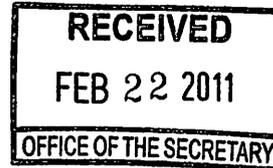
6040 - 28th Avenue South • Minneapolis, MN 55450-2799

Phone (612) 726-8100



#725

February 17, 2011



Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0690

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

Dear Ms. Murphy:

This letter is submitted on behalf of the Minneapolis-St. Paul Metropolitan Airports Commission ("MAC") in response to Release No. 34-83576 (the "Release") pursuant to which the Securities and Exchange Commission (the "Commission" or "SEC") has requested comments to proposed Rules 15Bal-1 through 15Bal-7 (the "Proposed Rules") of the Securities Exchange Act of 1943 (as amended, the "Exchange Act").

MAC's comments are specifically in response to the decision by the SEC in the Release to exclude appointed members from the term "municipal advisor" as it is defined in proposed Rule 15 Bal. In the Release, the Commission has requested comments on whether its interpretation under the definition of "municipal advisor" and the exclusions from this definition are appropriate and whether any of these interpretations should be modified or clarified in any way. For the reasons set forth herein, MAC takes issue with the Commission's proposal to exclude appointed members of a governing board of a municipal entity (a "Board") from the exclusion from the definition of a municipal advisor.

While MAC appreciates the efforts of the Commission to implement a permanent registration regime to meet the requirements of Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"), we believe that the exclusions from the definition of the term "municipal advisor" in the Proposed Rules are inappropriate and should be modified. The Commission's interpretation of these exclusions creates confusion that could inadvertently have a significant negative impact on the operations of the MAC and similarly situated airport and other municipal authorities around the country. Therefore, we urge the Commission to reconsider the Proposed Rules and amend its stance on exclusions from the definition of the term "municipal advisor."

The Dodd-Frank Act revised the Exchange Act to, among other things, make it unlawful for a municipal advisor to provide certain advice to, or solicit, a municipal entity or certain other persons with respect to municipal financial products or the issuance of municipal securities, unless the municipal advisor is registered with the Commission. This action is certainly laudable given the circumstances of the abuses of the system over the past few years. Section 15B(e)(8) of the Exchange Act provides that the term "municipal entity" means any "State, political subdivision of a State, or municipal corporate instrumentality of a State, including (A) any agency, authority, or instrumentality of the State, political subdivision, or municipal corporate instrumentality" MAC is a public corporation organized and existing pursuant to the provisions of the Constitution of the State of Minnesota and Minnesota Statutes, Sections 473.601 et. seq., and owns and operates seven airports in the Minneapolis-St. Paul Metropolitan area, including the Minneapolis-St. Paul International Airport. As such, MAC is a "municipal entity" under the Exchange Act and any of its "municipal advisors" would have to register with the SEC under the Dodd-Frank Act.

The term "municipal advisor" is defined in the Proposed Rules as having the same definition as in Section 15B(e)(4)(A) of the Exchange Act, which states that a "municipal advisor" means, in part, "a person (who is not a municipal entity or an employee of a municipal entity) that (i) 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 . . . ; or (ii) undertakes a solicitation of a municipal entity." In the Release, the Commission elaborates on the definition of the term "municipal advisor" and on the exclusions from the definition. The Commission believes that the exclusion for "employees of a municipal entity" should include any person serving as an elected member of the governing body of the municipal entity and also appointed members of the governing body to the extent such appointed members are ex officio members of the governing body by virtue of holding an elective office. However, the Commission does not believe that appointed members that are not elected ex officio should be excluded from the definition of "municipal advisor." If adopted with the Commission's interpretation set forth in the Release, the Proposed Rules would impose on appointed Board members a duty to register as "municipal advisors."

By creating a distinction between elected Board members and appointed Board members who are not serving in an ex officio capacity and specifically excluding appointed Board members who are not ex officio members from the exclusion, the Commission would create a class of appointed Board members who would suddenly be deemed to be "municipal advisors." This distinction is inappropriate because it is unnecessary to accomplish the objectives of the Dodd Frank Act. The governing body of a municipal entity, regardless of whether its members are elected, appointed or a combination of the two does not act in an advisory capacity and therefore cannot be a "municipal advisor." Governing bodies are charged with taking action and making decisions. The legislative intent of the Dodd-Frank Act was to address the oversight of "municipal advisors." Governing bodies of municipal entities clearly fall outside this purview.

MAC is governed by 15 Commissioners, 12 of whom are appointed by the Governor of the State of Minnesota (the "Governor") for four-year terms and one of whom is appointed by the

Governor as chair of the Commission and serves at the pleasure of the Governor. The remaining two Commissioners are the mayors of St. Paul and Minneapolis, or their designees, who serve a term equal to the term of office of such mayor. Of the 12 Commissioners that are appointed by the Governor for terms of four years, eight are appointed from designated districts within the Metropolitan Area and four are appointed from outside of the Metropolitan Area. If the Proposed Rules are not clarified and appointed members of a governing body that are not ex officio members are required to register as "municipal advisors," then all the Board members of the MAC (and other similarly situated airport authorities) would be subject to registration. Besides registration, the Dodd-Frank Act also subjects "municipal advisors" to oversight by the Municipal Securities Rulemaking Board and imposes upon them fiduciary duty and extensive record-keeping obligations. Additionally, the extensive personal and financial information disclosed on the new registration forms would generally become publicly available and the filing of the forms would likely require the payment of registration and maintenance fees.

This determination would create a chilling effect on a municipal entity's ability to attract qualified candidates to serve on Boards. One of the more significant bases for creation of an airport authority is to depoliticize airport operations and empanel a board of qualified directors to impose business-like discipline with respect to general non-aeronautic operational oversight. To subject appointed Board members to the additional obligations and costs and public disclosures involved in complying with the Dodd-Frank Act would discourage participation on these Boards and be counter-productive to good management. Furthermore, the costs for the applicable airport authority would increase if airport authorities had to pay registration fees, be responsible for numerous filings and potentially retain separate counsel for municipal advisory representation.

The Commission justifies treating appointed Board members differently because it believes that employees and elected members are accountable to the municipal entity they serve for their actions but "appointed members, unlike elected officials and elected ex officio members, are not directly accountable for their performance to the citizens of the municipal entity." MAC respectfully disagrees with the Commission's rationale for this disparate treatment because appointed Board members are, in fact, accountable. Though not elected, appointed board members of MAC are "public officials" who are politically accountable, and pursuant to Minnesota Statutes Section 473.605, are subject to removal for cause by the governing official or body that appointed them. Further, as public officials under Minnesota law, these board members are subject to a broad range of legal/ethical obligations regarding matters such as Conflicts of Interest, Minnesota Statutes Section 10A.07, Prohibition of Gifts, Minnesota Statutes Section 10A.071, Statements of Economic Disclosure, Minnesota Statutes Section 10A.09, and the provisions of the Minnesota Government Data Practices Act (analogous to the federal Freedom of Information Act) Minnesota Statutes Chapter 13, and Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D.

In conclusion, we urge the Commission to reconsider its interpretation of the definition of the term "municipal advisor" and recommend that it revise its statements regarding exclusions to the

Ms. Elizabeth M. Murphy

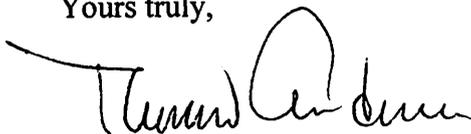
February 17, 2011

Page 4

definition to ensure that no Board members, whether appointed or elected, be deemed to be "municipal advisors."

MAC appreciates the opportunity to comment on this important change to the Exchange Act and commends the Commission for its effort to comply with the intent of the Dodd-Frank Act to improve accountability and transparency in the financial system. If you would like to discuss our comments, or if you have any questions, please contact me at (612) 726-8178.

Yours truly,

A handwritten signature in black ink, appearing to read "Thomas W. Anderson". The signature is fluid and cursive, with a large initial "T" and "A".

Thomas W. Anderson
General Counsel