



# The Port Authority of Van Wert County

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February 28, 2011

SEC Complaint Center  
100 F Street, NE  
Washington, DC 20549-0123

RE: File No S7-45-10 Registration of Municipal Advisors

Dear SEC Complaint Center:

I am Chairman of the governing Board of Directors of the Port Authority of Van Wert County, a body corporate and politic and a political subdivision of the State of Ohio created under Ohio Revised Code Chapter 4582 (the "Port Act"). Under the Port Act, a port authority is created by a municipal corporation, a township, a county or any combination thereof. Ohio port authorities are governed by a Board of Directors appointed by the elected official(s) of the creating government entity.

Ohio port authorities engage in various activities, including the issuance of revenue bonds for economic development. Issuance of port revenue bonds are authorized by resolution of a port authority's governing board, its Board of Directors. Members of a port authority's governing board are subject to state ethical rules, as well as open meeting and public records laws. As part of the bond authorization process, Board members typically receive, review, discuss and consider financing proposals, analysis from financial advisers and/or underwriters, and other aspects of the proposed bond issuance set forth in the authorizing resolution.

In the SEC Release No. 34-63576, the SEC discusses the exclusion of employees of a municipal entity from the definition of "municipal advisor". In its discussion, the SEC specifically rejected a proposal to exclude from the definition of municipal advisor appointed members of a governing board of a municipality that are not elected. We respectfully disagree with the SEC's rationale that appointed members of a governing board of a municipal entity are somehow not accountable to the municipal entity for their actions. This rejection of the proposed exclusion for appointed governing board members raises a serious concern as to what constitutes "providing advice" to or on behalf of a municipal entity.

It is our position that because a port authority can only act through its governing board, the decision to authorize and approve revenue bond issuances and other finance transactions, as well as all review, discussion and other actions of board members being part of the process leading to

such authorization, does not constitute “advice” to or on behalf of a municipal entity such as would require a port board member to register as a municipal advisor.

Therefore, we urge the SEC to clearly state in the final Rules that **all governing board members (whether elected or appointed) of municipal entities are exempt under the Rules** and all statements made or positions taken by any governing member of the municipal entity will not be considered to be advice if the statements are made or actions are taken as a part of a fact-finding, deliberative, or decision-making process of the governing board. Additionally, excluded from the reach of these proposed Rules should be any casual statements made or opinions offered to a municipal entity by any person who is not acting in a professional advisory capacity.

Being required to register with the SEC as a municipal advisory has significant consequences, including time, money and legal obligations. This registration requires certification of qualifications and training, as well as knowledge of regulatory obligations for municipal issuers. The record-keeping requirements, potential fines and sanctions (including criminal penalties), will overwhelm municipal issuers like ours that operate on small budgets with lean staffing.

Without the requested clarification, the nearly 60 port authorities in Ohio may be found to be subject to these proposed Rules. Each port authority has boards which must approve the business of the port. The vast majority of these boards are comprised solely of volunteers. The ability to attract strong board members will be greatly hindered by this rule. We rely on legal counsel and financial advisors, who are paid for this service, to provide guidance and feedback on any bond issuance or other financing that we undertake. To ask our board members to register with the SEC, with all of its attendant requirements, would be so onerous as to discourage talented individuals in our community from serving on our boards. This in effect could shut down a series of programs that offers critical financing tools in the State of Ohio.

We urge the SEC to clearly state in its final rule for registration of municipal advisors that board members of municipal issuers are not required to register as municipal advisors by virtue of engaging in their duties related to the review and authorization of the issuance of municipal securities.

Sincerely,

A handwritten signature in cursive script that reads "Daryl Strickler".

Daryl Strickler  
Chairman