



Montana Association of Counties

Serving Montana Counties Since 1909

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August 1, 2011

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

RE: Public Comment on Proposed Rule: Registration of Municipal Advisors
Release No. 34-63576, File No. S7-45-10

Dear Secretary Murphy:

On behalf of the Montana Association of Counties (MACo), I am writing to express our concerns about the Securities and Exchange Commission's (SEC or Commission) Notice of Proposed Rulemaking (NOPR) dated December 20, 2010 in Release No. 34-63576 (Release), File No. S7-45-10, regarding the registration of "municipal advisors." Although the official comment deadline for the NOPR has passed, it is our understanding that the Commission has not promulgated a final rule and is still accepting comments from stakeholders.

By way of background, MACo is a nonprofit, nonpartisan organization that acts as the unified voice on behalf of all 56 of Montana's counties. Since it was founded in 1909, the primary purpose of MACo has been to represent county governments before the Montana Legislature, administrative agencies and the federal government. MACo places a strong emphasis on educating the public about the value and need for county programs and services. MACo is also committed to assisting Montana counties in providing a vital and efficient system of public services for the general health, welfare and public safety of every resident.

Pursuant to the rules proposed in the NOPR, individuals who meet the definition of a "municipal advisor" will be required to register with the SEC and the Municipal Securities Rulemaking Board, pay hundreds of dollars in registration fees and be subject to significant additional regulation. The NOPR defines "municipal advisor" as, among other things, a person who undertakes a solicitation of a municipal entity. MACo is concerned that this overly broad definition will prevent us from offering our membership access to value-added education and services through publicly solicited contracts. The definition of the term "municipal advisor" should be modified to avoid unnecessary burdens on local governments in Montana.

For clarification, none of the staff at MAC provides direct contact with public employees, nor does staff offer advice to public agencies or public employees. Rather, our association is an endorser of the programs that private sector firms offer after a thorough process of qualifications and review. Additionally, the cost of registration and compliance with this Act, as well as the unknown consequences of state-required registration, would unfairly disadvantage associations representing public agencies.

Furthermore, MACo does not directly or indirectly engage in the offer or sale of particular products or services to government employees, including insurance products, securities products, investment advisory services, or legal and tax services. MACo and its employees and affiliates also do not make any product or investment recommendations to existing or prospective clients, give any investment advice on their behalf or on behalf of any third party supplier, or accept any clients on behalf of any third party supplier.

MACo does, however, benefit the public employee investor by providing access to best practices for saving for retirement, up-to-date information on changes to statutes and regulations, access to training and education through third-party providers and access to academic research regarding retirement planning and savings techniques. None of the education and information sharing involves product-specific recommendations or advice. Just as other associations provide information and training to their membership, MACo also provides this service to its members. Requiring registration of associations that have state or local governments as their members will cause an economic and staffing burden and may cause some associations to stop offering the services to their membership.

Congress granted the Commission exemptive authority to exclude certain persons from the definition of "municipal advisor", so for the reasons set forth above, MACo respectfully requests that the Commission modify the NOPR so as to clarify that associations representing local governments are not "municipal advisors" and thus are not required to register with the SEC.

On behalf of MACo, I want to thank you for your consideration of this important request. We look forward to working with the SEC to achieve this crucial clarification to the NOPR. Please feel free to contact me if you have any questions.

Sincerely,



L Harold Blattie
Executive Director
Montana Association of Counties