



**Government Finance Officers Association**

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January 3, 2011

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

**RE: SR-DTC-2010-17**

Dear Ms. Murphy:

We have just learned that the Depository Trust Company (DTC) has submitted to the Securities and Exchange Commission (SEC) proposed changes to its fees, including those for municipal securities. The Government Finance Officers Association (GFOA) opposes having the SEC take such action, at least until there has been a thorough review of the need for these increases, as well as discussions with the municipal securities issuer community about these changes.

The GFOA is the professional association of state, provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. The GFOA provides leadership to its nearly 18,000 members through research, education and the identification and promotion of best practices and is dedicated to the sound management of government financial resources.

The increases that DTC suggests imposing are unfairly assessed on municipal securities issuers, and takes advantage of the unique nature of municipal securities - serial maturities. This places a much greater cost burden on municipal securities, which in effect would be a 130 -150% increase, an amount that far exceeds the increase proposed for corporate bond issuers (40%).

The municipal securities industry was not made aware of DTC's December 21 proposal, nor was their filing located today on the SEC's web site; therefore, we strongly encourage the SEC to not grant DTC's proposed fee increases in an expedited manner, which they requested to be January 3. The timing of the filing is an attempt to take advantage of holiday distractions in the hope that it will slip through without notice by the affected parties. This, unfortunately, is an all too familiar pattern by DTC of "last minute" end-of-year fee increases. Therefore, we request that municipal securities issuers have the opportunity to be heard with respect to all elements of DTC's existing fee schedule before the SEC acts on the proposed changes.

Sincerely,

Susan Gaffney  
Director, Federal Liaison Center