



## National Association of State Auditors, Comptrollers and Treasurers

January 30, 2012

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

File Number: SR-FINRA-2011-073

Dear Ms. Murphy:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers (NASACT), I appreciate the opportunity to comment on the proposed rule, *Notice of Filing of Proposed Rule Change Relating to Establishing a Governmental Accounting Standards Board Accounting Support Fee*.

We have long supported the existence of the Governmental Accounting Standards Board (GASB) as an independent standard-setting body for state and local governments. For too long this independent body has survived without a consistent, long-term funding source. We recognize that if GASB is to continue to operate successfully, it must have a stable and sustainable funding mechanism. Yet, we realize that regardless of how GASB is funded, not everyone will be pleased.

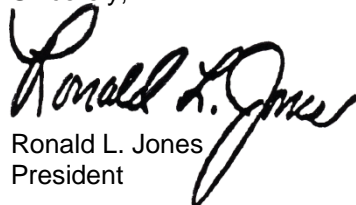
The Financial Industry Regulatory Authority (FINRA) is proposing that the GASB support fee be allocated among its members based on municipal securities trading volume reported to the Municipal Securities Rulemaking Board. Overall, we support FINRA's proposal. Allocating the support fee among FINRA member firms based on municipal securities transactions appears to be a reasonable way to provide GASB with a steady source of independent funding. The methodology seems fair and equitable.

However, we remain concerned about FINRA's proposal allowing the support fee to be passed along to "customers." In our August 1, 2011, letter to FINRA, we expressed concern about its members passing the fee along to "customers," particularly municipal issuers.

Section 978 of the Dodd-Frank Wall Street Reform and Consumer Protection Act states that a national securities association (FINRA) should establish rules and procedures to provide for the equitable allocation, assessment and collection of an accounting support fee for the GASB from the **members** of the association (emphasis added). The law specifically states that the fee be paid from the members of the association. We believe the SEC should direct FINRA to make certain the fee is paid by its members.

Thank you again for the opportunity to comment on this important issue. Should you have any questions or need additional information regarding our response, please contact R. Kinney Poynter at (859) 276-1147 or me at (334) 242-9200.

Sincerely,



Ronald L. Jones  
President

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