



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:

The Government Finance Officers Association of the United States and Canada (GFOA) is joined by the International City/County Management Association (ICMA), the National Association of Counties (NaCO), the National League of Cities (NLC), and the U.S. Conference of Mayors (USCM) in comments to the proposed rule, *Notice of Filing of Proposed Rule Change Relating to Establishing a Governmental Accounting Standards Board Accounting Support Fee* (Fee). Our organizations have represented the local government community – from finance officers to elected officials - for decades, and we are dedicated to the sound management of government financial resources. Additionally, the GFOA was instrumental in the creation of the Governmental Accounting Standards Board (GASB), and all of the organizations listed above strive to ensure that when the GASB develops standards, the needs of the general public and state and local governments are considered.

The *Dodd–Frank Wall Street Reform and Consumer Protection Act* (P.L. 111-209) (*Act*) states that a national securities association (now designated by the SEC (see Release No. 64462) as the Financial Industry Regulatory Authority -- FINRA) 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. The law specifically states that the Fee be paid “from the members of the association, and the remittance of such accounting support fees to the Financial Accounting Foundation”¹. The proposed rule does not adhere to the statutory language because it does not specify that the Fee must be paid by the members of the association, and in fact leaves open the possibility that the Fee may be passed along to customers, which might include state and local governments who issue municipal securities.

FINRA’s original proposal for the Fee, Regulatory Notice 11-28, states that “some firms [association members] may seek to pass the GASB Accounting Support Fee on to customers engaged in municipal securities transactions...” In response, GFOA and other organizations submitted comments to FINRA stating that it needed to include language within the Notice and the proposed amendment to its by-laws that would prevent its members from passing the Fee along to issuers of municipal securities. FINRA declined to include this necessary language in its formal filing to the SEC.

To ensure compliance with the *Act*, we call on the SEC to direct FINRA to adhere to the language of the Dodd –Frank Act and make certain that the Fee is paid by the members of the Association and not passed on to customers.

¹ Public Law 111-203, Section 978 (a) (g) “FUNDING FOR THE GASB” (B) (see page 1925 of the *Act*)

Without this additional language, there will be nothing to ensure that the law is correctly implemented, and that state and local governments – and ultimately tax payers - will not be unnecessarily burdened with additional fees. Permitting FINRA members to pass the fee along to state and local governments would be nothing short of an unfunded mandate and that was not the intent of Congress.

Thank you again for the opportunity to comment on this important issue.

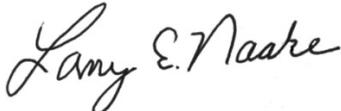
Sincerely,



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Government Finance Officers Association



Robert O'Neill, Executive Director
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Larry E. Naake, Executive Director
National Association of Counties



Donald J. Borut, Executive Director
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Tom Cochran, CEO and Executive Director
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