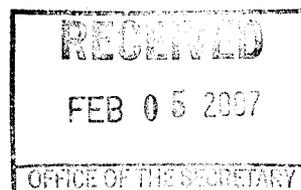


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Banc of America Securities



Tab Timothy Stewart
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January 31, 2007

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
Station Place
100 F Street, NE
Washington, DC 20549-1090

Re: File No. SR-MSRB-2006-10, Notice of Filing of Proposed Rule Change Relating to Amendments to Rule G-27, on Supervision, Rule G-8, on Recordkeeping, and Rule G-9, on Record Retention

Ladies and Gentlemen:

Banc of America Securities LLC ("BAS") welcomes the opportunity to comment on the MSRB's proposed revisions to Rule G-27 on supervision (the "Proposed Rule Change"). BAS is a subsidiary of Bank of America Corporation (the "Corporation"), a Delaware corporation, a bank holding company and a financial holding company under the Gramm-Leach-Bliley Act. Through its banking subsidiaries and various nonbanking subsidiaries, including BAS, the Corporation provides a diversified range of banking and nonbanking financial services and products. BAS is a full-service investment banking and brokerage firm that is registered as a broker/dealer with the Securities and Exchange Commission (the "SEC" or the "Commission"). BAS also is a member of the New York Stock Exchange, Inc. and the NASD. BAS is a top-tier dealer in securities, with a business that spans nearly all types of equity and debt securities, including municipal securities.

The Proposed Rule Change was recently published for comment by the Commission with a three week comment period that expired on January 10, 2007.[1] BAS requests that the Commission exercise its discretion under 17 C.F.R. § 202.6(b) to consider these comments and include them in the public record. BAS supports the Proposed Rule Change in principle but believes that the Proposed Rule Change will, if adopted, create an unnecessary hardship on dealers in municipal securities, and ultimately to issuers of municipal securities, in one specific area.

In its Notice of Filing, the MSRB stated that the purpose of the Proposed Rule Change was to promote regulatory consistency and make the requirements of NASD Rules 3010 and 3012 specifically applicable to the municipal securities activities of securities firms and bank dealers.[2] To that end, the Proposed Rule Change incorporates most of the requirements contained in Rules 3010 and 3012. Specifically with respect to supervision, the Proposed Rule Change requires dealers to designate certain locations as offices of supervisory jurisdiction ("OSJ"); and further requires the designation of one or more appropriately registered principals in each OSJ and in each branch office with authority to carry out the supervisory responsibilities assigned to that office by the dealer.[3] The Proposed Rule Change defines an OSJ as any office of a dealer at which, among other things, the structuring of public offerings or private placements takes place.[4]

BAS understands the requirement to designate one or more appropriately registered principals in each OSJ to mean that an appropriately registered municipal securities principal must be located on-site in each OSJ. However, this requirement is not practical in instances where a particular office's activities are such that the office meets the definition of an OSJ in the Proposed Rule Change, but there is a very small number of registered associates located in that office (and in many cases, only one) ("Small Staff OSJ"). This is often the case in connection with regional municipal investment banking offices. Such offices are certainly involved in the structuring of public offerings or private placements of municipal securities, and may be staffed by a very small number of investment bankers and/or analysts (and in many cases, only one). Typically, such offices are supervised by a municipal securities principal in another office, rather than by an on-site municipal securities principal.

Requiring each Small Staff OSJ to have an on-site municipal securities principal for supervision of the activities in that office adds an undue burden to dealers that, in many cases, is either impractical or not cost effective. For example, if there is only one municipal investment banker in an OSJ, the only options under the Proposed Rule Change would be to either require the municipal investment banker to pass the Series 53 Municipal Securities Principal examination, or hire a new municipal securities principal in that OSJ to supervise the municipal investment banker's activities. The former option can not work because a person should not be permitted to supervise his or her own activities; and the latter option is impractical as it adds unnecessary personnel expense. Even if there is a very small number of municipal investment bankers in a Small Staff OSJ, such investment bankers are very likely peers who all report to a municipal securities principal(s) in another office(s). If the Proposed Rule Change is approved, dealers may be forced to close certain regional offices, since adding staff would not be cost effective; in turn, this could lead to a reduction in financing services, and/or increased borrowing costs, to issuers of municipal securities. BAS believes that Small Staff OSJs can be effectively supervised by an off-site municipal securities principal, and that permitting an off-site supervisory structure for Small Staff OSJs should provide for an appropriate level of supervision over the activities of such OSJs.

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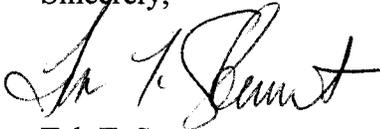
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Ms. Nancy M. Morris
January 31, 2007
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BAS appreciates the opportunity to comment on the MSRB's Proposed Rule Change. Please do not hesitate to contact the undersigned at (646) 313-8199 if it would be helpful to the Commission or its staff to discuss the issues addressed in this letter in greater detail.

Sincerely,



~~Tab T. Stewart~~
Assistant General Counsel

cc: Jill Finder, Associate General Counsel, Municipal Securities Rulemaking Board
Scott A. Martin, Senior Vice President, Senior Municipal Compliance Officer, Banc of America Securities LLC

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- [1] 71 Fed. Reg. 76,400 (Dec. 20, 2006).
[2] Ibid.
[3] MSRB Rule G-27(b)(iii) and (iv), as revised.
[4] MSRB Rule G-27(g)(i), as revised.

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