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August 21, 2009

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: *MSRB Notice of Filing of Proposed Rule Change Relating to the Additional Voluntary Submissions by Issuers to the MSRB's Electronic Municipal Market Access System (EMMA) (File No. SR-MSRB-2009-10)*

Dear Ms. Murphy:

The Investment Company Institute¹ supports the Municipal Securities Rulemaking Board's ("MSRB") proposal² to permit issuers to submit certain additional primary market documents and continuing disclosure information to its Electronic Municipal Market Access system ("EMMA"). More detailed, consistent, and timely disclosure of information regarding municipal securities is critical to investors, who need timely and efficient access to information to perform credit analyses, make informed investment decisions, monitor their securities portfolios, and protect themselves from fraud. The proposal would address these needs by permitting issuers and their designated agents to submit to EMMA preliminary official statements and other related pre-sale documents, official statements, and advance refunding documents. It also would permit the submission to EMMA of information relating to the preparation and submission of audited financial statements and annual financial information and links to other disclosure information.

The Institute strongly supports providing greater transparency to investors in the municipal securities markets.³ As we have stated on a number of occasions, we support the submission of all

¹ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs) (collectively "funds"). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$10.5 trillion and serve over 93 million shareholders.

² SEC Release No. 34-60315 (July 15, 2009), 74 FR 36294 (July 22, 2009).

³ See Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Florence Harmon, Acting Secretary, Securities and Exchange Commission, dated September 22, 2008 ("September 2008 Letter").

available municipal securities disclosure information to a centralized source to ensure the availability, and to improve the utility, of such information.⁴ We therefore support the expansion of EMMA to accept voluntary disclosure information as described above. This information is of considerable value to investors and would assist them and other market participants in understanding how audited financial statements were prepared and when such information is expected to be available in the future. It also would provide a source for obtaining additional financial, operating, or other investment-related information.

We are particularly supportive of the proposed disclosure regarding an issuer's decision to undertake submitting annual financial information to EMMA within 120 calendar days after the end of the fiscal year. We believe allowing issuers to disclose their intent to pursue this undertaking is a positive step for issuers committed to producing more timely disclosure to the municipal marketplace. We also support the proposal providing for the submission of updates to EMMA to address situations in which an issuer later determines it is unable to meet the voluntary timeframe and therefore needs to rescind the undertaking.

While the proposal addresses the voluntary submission of information by issuers, the Institute continues to recommend the establishment of a meaningful, mandatory timeframe for filing financial reports.⁵ Disclosure of annual financial information can take anywhere from three months to twelve months, or even longer.⁶ Yet, the financial status of an issuer can change materially during the course of a year – a fact which has been highlighted by the recent credit crisis. Consequently, failure to make timely financial information available does not allow investors to react in a timely manner to any changes in credit quality or risk. We recognize that establishing a specific timeframe for filing financial reports after the end of the fiscal year would necessitate a significant shift in current practices employed by municipal issuers. We believe, however, that such a change is not only warranted but also long overdue.⁷

⁴ See, e.g., Letter from Heather Traeger, Assistant Counsel, Investment Company Institute, to Ernesto A. Lanza, Senior Associate General Counsel, Municipal Securities Rulemaking Board, dated February 25, 2008 and Letter from Heather Traeger, Associate Counsel, Investment Company Institute, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated May 20, 2009.

⁵ See *supra* note 3. We previously recommended a 180-day deadline as an incremental improvement over the industry practice of 270 days.

⁶ See, e.g., Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Florence Harmon, Acting Secretary, Securities and Exchange Commission, dated July 25, 2008 and September 2008 Letter, *supra* note 3.

⁷ To assist with the transition to a disclosure deadline, implementation could, for example, follow the course of tiered compliance, focusing first on the largest municipal issuers, allowing time for the issuers and the government auditing industry to adjust to the new demands.

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We look forward to working with the Commission as it continues to examine these issues. In the meantime, if you have any questions, please feel free to contact me directly at (202) 326-5920 or Ari Burstein at (202) 371-5408.

Sincerely,

/s/ Heather Traeger

Heather Traeger
Associate Counsel

cc: James Brigagliano, Acting Director
Daniel Gallagher, Acting Director
Martha Mahan Haines, Chief, Office of Municipal Securities
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