



NATIONAL ASSOCIATION OF
STATE TREASURERS

September 25, 2009

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

RE: SEC Release 34-60315/SR-MSRB-2009-10

Dear Ms. Murphy:

Thank you for the opportunity to comment on proposed MSRB Rule 2009-10. The National Association of State Treasurers (NAST) represents the treasurers and chief financial officers of the states, the District of Columbia, and Puerto Rico

We understand that voluntary proposals may provide a means to demonstrate the abundance of information available to the public about state and local government finances. However, we remain concerned that such efforts by the Securities and Exchange Commission (SEC) or the Municipal Securities Rulemaking Board (MSRB) may indirectly make such voluntary submissions mandatory obligations in the future.

State and local governments continue to surpass their private sector counterparts in financial reporting transparency and availability of information. With important budget and financial decisions made in the public eye, and often with public input, our sector frequently functions as the gold standard for transparency among securities issuers. This includes the availability of important operational budget information, and the open process of adopting budgets for the upcoming fiscal year.

The details included within a governmental entity's Comprehensive Annual Financial Report (CAFR) encompass general information about the government, its basic financial statement, fund statements, an independent auditor's report, and a statistical section covering ten years' worth of key financial information and other data useful in assessing the government's financial condition. It is worth noting that the statistical section is unique to the governmental sector and will not be found in the private sector. In addition to the extensive amount of financial reporting, governmental auditing standards are also more rigorous than are those of the private sector.

Our organization supported the creation of a central repository, acknowledging that having all municipal securities disclosure documents in one location is helpful to all market participants. With regard to the new voluntary disclosure fields proposed by the MSRB, we strongly encourage the MSRB and the SEC to carefully review the comments submitted by the Government Finance Officers Association (GFOA), other state and local government organizations, as well as those of our membership.

We would like to comment specifically on the four new voluntary disclosure fields proposed in SR-MSRB 2009-10:

1. Providing URL Links to an Entity's Investor Relations or other Financial Information_ We support including a field where a government can post URLs to financial information related to their government and that are of interest to investors.

President

Jeb Spaulding, Vt.

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2. Indicating if a Government Receives GFOA's Certificate of Achievement for Excellence in Financial Reporting Program. We support a field to that allows governments to note if they have received this award.
3. We support having a field noting whether a government entity follows Generally Accepted Accounting Principles, but in contrast to the GFOA's comment, we believe the field should include the standard setting body, Governmental Accounting Standards Board (GASB) or any other standard setting body, in order for the reader of the financial statements to distinguish which standards are followed.
4. Issuer agrees to an undertaking to submit their annual financial statements to the Electronic Municipal Market Access (EMMA) Within 120 days of the End of Their Fiscal Year. We strongly oppose having such a field in EMMA. Setting a 120 day deadline for governments to submit their annual financial information to EMMA, even if voluntary, could create a de facto mandate on governments who believe that they must adhere to such a deadline. Furthermore, very few governments could meet such a deadline and, as indicated by the GFOA's Certificate program, current market practices point to 180 days as a goal to complete the annual financial information. The 120 day time period would compromise data used, as governments would have to rely upon estimates, and could lead to governments using auditors who do not have the extensive governmental accounting background needed to review these statements. Additionally, it is important to consider that many states and other entities report not just their basic financial statements but also the financial statements of major component units. It is unrealistic to have a deadline of 120 days to complete both the closing and auditing of those component entities and also their inclusion in the entity's CAFR. We strongly encourage the SEC and the MSRB to withdraw this part of the proposal, as it is not consistent with current practices and would diminish the quality of financial reporting and auditing standards.

Our members are becoming familiar with EMMA, and they appreciate the efforts that the MSRB has given to create the system. With the exception of the 120 day filing deadline, the new fields for which state and local governments can voluntarily provide more information about its finances related to its bond issues are a welcome addition and help clarify the availability of financial information to the marketplace.

We hope in the future that the MSRB and the SEC will reach out to state and local governments on matters related to the municipal securities market and disclosure practices. Again, we appreciate the opportunity to comment on this proposed rulemaking.

Sincerely,

A handwritten signature in black ink that reads "Jeb Spaulding". The signature is written in a cursive style with a horizontal line above the first few letters of "Jeb".

Jeb Spaulding
President, National Association of State Treasurers
Treasurer, State of Vermont