



Government Finance Officers Association
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July 23, 2010

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

RE: File Number SR-MSRB-2010-03

Dear Ms. Murphy:

The Government Finance Officers Association (GFOA) appreciates the opportunity to comment on proposed rule SR-MSRB-2010-03. The GFOA represents over 17,000 public finance officers across the United States who are very interested in the work of the Securities and Exchange Commission (SEC) and the Municipal Securities Relations Board (MSRB) as it relates to municipal securities.

The GFOA has supported the MSRB's efforts to develop and enhance the Electronic Municipal Market Access system (EMMA), as we recognize its immense value to both issuers and investors of municipal securities. As the market and the SEC continue to call upon greater availability of municipal securities information to the public, we believe that there is nothing more relevant than making credit ratings available in one location, where the public can access the information quickly, efficiently, and at no cost to them.

Likewise, we strongly believe that all members of the public should have access to ratings information at the CUSIP level. Including a field indicating a security's rating would help investors make important investment choices. Providing this information in a public forum, along with the new field in EMMA allowing governments to post links to the plethora of financial information available to the public on their web site, only adds to the transparency of our market. Posting ratings information on EMMA at no charge to the public also creates a level playing field for all investors – retail and institutional – and eliminates a two-tier system that unfairly allows institutional and sophisticated investors to more easily access information about a security than other investors.

We recognize that rating agencies have every right to copyright and protect their written analysis, rationale and other derivative products, but they should not be able to withhold the basic conclusion of a rating from open distribution through the EMMA system. Any written communication about the rating to a public bond issuer creates a "public record" of that issue that must be disclosed and is certainly material. This proposed rule simply serves to take what already is public information and direct it to one location – again, something that is a true benefit to investors and the public.

Having the ratings agencies provide the information directly to EMMA is also a more efficient way of disseminating information to investors. Issuers may not be aware of rating changes at the moment they occur (e.g., In 2008 when the bond insurers were downgraded, it caused many municipal securities to also be downgraded. However, since that information was not directly sent to issuers, some issuers were unable to directly notify the NRMSIRs of the rating changes). Having a direct feed with this information, rather than having to wait for the information to be posted through the material event notice process, is the easiest way for the marketplace to access this information

We are confident that the MSRB and the credit rating agencies currently have adequate technical expertise, portals and systems to send feeds to EMMA at very little cost to either party. This information, therefore, should be available at no cost to any party – neither to the MSRB for receiving the feed from the rating agencies, nor to members of the public accessing the information from EMMA. However, there should be safeguards and assurances in place as the system is developed to ensure that a rating is assigned to the correct CUSIP and a procedure in place that would quickly identify and correct any inaccuracies and notify investors that an incorrect rating had been posted for a certain period of time.

Thank you again for the opportunity to comment on the proposal to create a new field for credit ratings in EMMA. We strongly support this effort.

We look forward to working with the SEC and the MSRB on this and other important issues in the future.

Sincerely,

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Susan Gaffney
Director, Federal Liaison Center