Government Finance Officers Association
1301 Pennsylvania Avenue, NW Suite 309
Washington, D.C. 20004
202.393.8020 *fax*: 202.393.0780

November 9, 2010

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

RE: SEC Release No. 34-63095/ File No. SR-MSRB 2010-10

Dear Ms. Murphy:

The Government Finance Officers Association (GFOA) is pleased to provide comments on the Securities and Exchange Commission's ("SEC") Release No. 34–63095, the Municipal Securities Rulemaking Board's ("MSRB") "Notice of Filing of Proposed Rule Change Consisting of Amendments to Rule A–13 To Increase Transaction Assessments for Certain Municipal Securities Transactions Reported to the Board and To Institute a New Technology Fee on Reported Sales Transactions" (the "Notice").

The GFOA is the professional association of state, provincial and local finance officers in the United States and Canada and has served the public finance profession since 1906. We provide leadership to over 17,000 government finance professionals through research, education and the identification and promotion of best practices.

The entire municipal marketplace and the public have benefited greatly from the MSRB's reporting systems, including those developed for transaction data, the SHORT system for auction rate securities and variable rate demand obligations, and most importantly, the Electronic Municipal Market Access system (EMMA). While the fee changes are being proposed to assist many of these programs, prior to implementing the proposed changes in the Notice, we believe that the MSRB should provide more information and transparency to the marketplace regarding the source and magnitude of anticipated revenues and the expected application of those revenues to MSRB projects.

Within the Notice, the MSRB references the need to increase a number of existing fees and develop a new technology fee in order to replace aging and outdated information technology software and hardware and also to meet the requirements that are placed on the MSRB by the Dodd-Frank Act. While we recognize that the MSRB's technology infrastructure is vital to the entire marketplace, there should be more thorough discussion and explanation as to the use of these increased and new fees, which is not included in this Notice.

Specifically, we would like the MSRB to explain why it believes these new and increased fees are necessary and what impact they could have on market participants, especially those in the issuer community. The proposed fee changes are significant, making more information and ongoing transparency on the MSRB's use of funds essential.

The Dodd-Frank Act allows the MSRB to create new charges for some of its information systems (and those not yet developed). We strongly believe that as the MSRB considers new charges, it should convene a hearing or meeting with industry leaders and allow for a constructive comment period to react to any proposed changes. Additionally, as the MSRB determines how it will assess new fees on municipal financial advisors, the MSRB should be transparent about the amounts it will charge in relation to its overall budget. Given the significant proposed increases in this Notice, the MSRB should explain how the sum of the total new fees would be spent and determine if such increases on dealers, and to what extent the amount of new fees for financial advisors, are warranted. Additionally, in all likelihood the MSRB will see an increase in revenues due to new a "fine sharing" arrangement with FINRA. This again raises the question of what does the MSRB expect to receive from these new types of revenues, and whether or not the amount of increased fees proposed in this Notice (as well as future notices) are necessary in order for the MSRB to achieve its goals.

Another point of <u>particular significance</u> is that the MSRB should continue to reference in Rule A-13 and continue its efforts to reach out to the dealer community the fact that these fees are not to be passed, directly or indirectly, onto issuers. Unfortunately, some of our members continue to see MSRB fees as line items on their transactions; moreover, even when MSRB fees are not itemized, we are concerned that state and local governments ultimately pay the fees indirectly.

Finally, while we have asked for the MSRB to show greater transparency with its fees, the MSRB should also work to bring transparency to the marketplace – especially to issuers – about the fees that dealers charge and create educational materials that can be easily accessed by bond issuers and others in the community about this matter.

Thank you again for the opportunity to comment on the proposed changes to MSRB Rule A-13.

Sincerely,

Susan Gaffney

Susan Gaffney
Director, Federal Liaison Center