

MorganStanley SmithBarney

November 10, 2010

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

Re: File No. SR-MSRB-2010-10

Dear Ms. Murphy:

Morgan Stanley Smith Barney LLC (“MSSB”) is pleased to provide its comments on the above-referenced release, which seeks comment on the Municipal Securities Rulemaking Board’s (“MSRB”) proposed amendments to Rule A-13 to increase certain transaction fees and to institute a new “technology fee” on reported sales transactions.

With over 17,000 Financial Advisors located across the United States, MSSB provides services to approximately 7.25 million client accounts representing over \$1.6 trillion assets. MSSB generally supports the views advanced by the Securities Industry and Financial Markets Association (“SIFMA”) in its comment letter on the Proposal. In particular, as the nation’s leading retail brokerage firm, we are concerned that the proposed fee increases would disproportionately affect the retail segment of the municipal market, for the reasons illustrated in the SIFMA letter.

While not directly referenced in the SIFMA letter, affiliate-to-affiliate transfers may occur in order to fill customer orders. Such transfers – tantamount to a booking move – would result in yet another layer of fees under the MSRB Proposal beyond those outlined in SIFMA’s comment letter. Accordingly, we do not support the imposition of additional fees on transactions between affiliates.

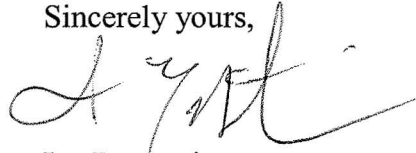
Moreover, although we understand SIFMA’s rationale for suggesting an alternative fee structure based upon firms’ total gross revenues associated with activities under MSRB’s jurisdiction, we do not believe there is industry consensus concerning this approach and that further analysis is warranted. Firms will require more information about MSRB’s revenue needs

Elizabeth M. Murphy
November 10, 2010
Page 2

in order to evaluate the MSRB fee proposal or any alternative proposal, such as the SIFMA example. We suggest that regulators and firms work together to discuss MSRB's funding requirements and possible approaches for satisfying those needs.

We appreciate the opportunity to provide comments on the Proposal and look forward to a continuing dialogue with the Commission and MSRB on this important issue.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ian Bernstein', with a long horizontal flourish extending to the right.

Ian Bernstein
Managing Director
Morgan Stanley Smith Barney LLC