

August 29, 2011

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

RE: File Number SR-MSRB-2011-08

Thank you for the opportunity to comment on the MSRB's proposed Municipal Advisor Assessment, which would consist of an annual assessment of \$300 for each "assessable professional."

The Bond Dealers of America ("the BDA") is the only trade association exclusively focused on U.S. fixed income markets and represents bond dealers who are headquartered in cities all over the country, doing business in dozens of states coast to coast. The BDA believes in a fair and competitively balanced fixed income industry with a focus on responsible regulation that best serves investors and the markets.

The BDA recognizes that this is only an interim assessment and a small step in the commitment that the MSRB has made to fairly assess the costs of its operations on all regulated entities. Nevertheless, the MSRB itself acknowledges that even after the imposition of this fee, municipal advisors will support far less than ten percent of the cost of the MSRB and will not support the costs of regulating municipal advisors going forward, much less the costs that have already been incurred.

Moreover, the fee will be imposed not only on the newly-regulated municipal advisor firms but also on broker-dealers that employ municipal advisors, who now bear ninety-seven percent of cost of supporting the MSRB. The BDA strongly objects to continuing the practice of assessing fees that should be imposed more broadly, or in some cases, not imposed at all. The advisory activities of broker-dealers have been regulated by the MSRB for years and the costs have been borne by those broker-dealers. The new, additional costs to be borne by the MSRB are due to newly-regulated municipal advisors. The broker-dealers currently and for the foreseeable future also bear virtually the entire cost of regulating these formerly-unregulated municipal advisors. Those entities should bear a greater part of the cost and the MSRB should take greater action in this interim assessment to fairly share the burden among the regulated entities.

BDA is also concerned about the effect of these burdens on middle-market broker-dealers. Nearly all of the regulatory actions that have flowed out of the Dodd-Frank legislation, and many other recent initiatives, have strengthened the largest

institutions relative to the middle-market broker-dealers and run contrary to the idea of ending “too big to fail.” We believe that the additional burden of this fee will disproportionately fall on middle-market broker-dealers, where advisory activities are more likely to represent a larger proportion of the firm.

We are also concerned that the fee, although called a “Municipal Advisor Assessment,” will be on “assessable professionals,” a new term that is broader than any proposed definition of municipal advisor. The BDA does not believe that creating yet another category of employee is warranted and will only create confusion for firms attempting to comply and increase enforcement costs for the MSRB. The fee should be assessed only with respect to those who meet the SEC definition of municipal advisor.

Further, the BDA urges that the effective date of the assessment be no earlier than 90 days after the SEC defines who is a municipal advisor. Today, we do not know who will be considered a municipal advisor. We, therefore, cannot know who the assessment will apply to. The MSRB proposes that the assessment be effective on October 1, 2011. Even if the SEC were to issue its definition of municipal advisor before that date, barely more than one month from now, firms would need time to consider how the fee, small as it is but presumably increasing over time, would affect their business and their budgets.

The BDA, therefore, urges the SEC to limit the imposition of this interim fee to SEC-defined municipal advisors who are not employed at brokers, dealers, or municipal securities dealers and to delay the effective date of the assessment. The BDA also urges the SEC to require the MSRB to estimate within 90 days the portion of its budget for the coming year that will be attributable to the supervisory and regulatory activities related to the newly-regulated municipal advisors and adjust the assessment to cover those expenses.

Again, thank you for the opportunity to submit comments.

Sincerely,



Michael Nicholas
CEO