



**National Association of Independent
Public Finance Advisors**

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September 6, 2011

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

RE: Proposed MSRB Rule A-11

Dear Ms. Murphy:

The National Association of Independent Public Finance Advisors (“NAIPFA”) appreciates the opportunity to provide comments on the Municipal Securities Rulemaking Board’s (“MSRB”) proposed New Rule A-11 related to municipal advisor assessments.

COMMENT

All market participants should bear an appropriate and commensurate share of MSRB costs. NAIPFA agrees that municipal advisors should participate in the funding of the MSRB and bear an appropriate share of costs of running the MSRB. Legislatively imposed obligations and market changes have increased MSRB responsibilities, staffing and duties. NAIPFA agrees with the need for an annual assessment and does not generally object to the proposed interim assessment of \$300.00 annually for each assessable professional. NAIPFA does, however, want to provide the following points for future consideration related to fees and as caveats to general acceptance of the proposed rule.

- 1.) Directly or indirectly municipalities, through publically paid taxes and fees, pay the costs associated with the issuance of municipal bonds. The public cost must be a consideration in establishment of all fees related to bond issues.
- 2.) This assessment is only a portion of the costs municipal advisors are now confronting with new regulations. The additional costs of regulatory compliance will also impact advisory firms. In an industry with hundreds of small firms NAIPFA has serious and previously expressed concerns about the viability and sustainability of small, independent firms due to the aggregate costs of fees and compliance procedures.
- 3.) Besides the proposed assessment, NAIPFA understands the potential imposition of transaction fees for municipal advisors. These fees will add to the burden upon and increase the fragility of



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municipal advisors. Municipal advisors have significantly different and less lucrative business models than broker-dealer firms and can only bear so much burden.

- 4.) The definition of “assessable professional” should be consistent with the definition of municipal advisor to be determined by the Securities and Exchange Commission (“SEC”). To have different definitions for registration purposes (SEC) and fee purposes (MSRB) will be ambiguous and lead to confusion. Additionally, the definition of assessable professional should not include members of a municipal advisors executive or management committee unless that individual also provides services listed in (A) through (E) of the proposal. Also, staffers performing primarily administrative tasks should be specifically excluded from assessment.
- 5.) Sole practitioners (one person firms) having already paid the \$500.00 annual fee imposed by Rule A-14 should not be assessed a \$300.00 fee imposed by Rule A-11.

CONCLUSION

NAIPFA understands the need for the MSRB to institute fees for municipal advisors. Subject to the limited conditions and concerns listed above NAIPFA believes the proposed rule and fee to be reasonable. We will be happy to discuss our views with MSRB or its staff.

Sincerely,

Colette J. Irwin-Knott, CIPFA

President, National Association of Independent Public Finance Advisors

- cc: The Honorable Mary L. Schapiro, Commissioner
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner
Michael Coe, Counsel to Commissioner Aguilar
Lynnette Hotchkiss, Executive Director, Municipal Securities Rulemaking Board