

October 10, 2017

Mr. Brent Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20540-1090

**RE: File No. SR-MSRB-2017-05
Notice of Filing of a Proposed Rule Change to Amend MSRB Rule G-34, on CUSIP
Numbers, New Issue, and Market Information Requirements**

Dear Mr. Fields:

On September 13, 2017, the Municipal Securities Rulemaking Board (the "MSRB") filed with the U.S. Securities and Exchange Commission (the "SEC" or "Commission"), Proposed Rule Change to Amend MSRB Rule G-34, on CUSIP Numbers, New Issue, and Market Information Requirements.

I would like to voice my opposition to this proposal for several reasons:

- In the proposed rule change the MSRB state that "Rule G-34(a)(i)(A), in its current form, may create inefficiencies in the market where a non-dealer municipal advisor is retained and yet not required to apply for a CUSIP number when advising on a competitive sale of a new issue of municipal securities. This leaves a dealer to make application only after the notification of award is given, potentially delaying related market activity." Our firm has participated in hundreds of competitive sales over the last 15 years and have never once experienced any delays or other market inefficiencies cause by a winning bidder who was a broker-dealer applying for the CUSIPs after the award date.
- In our opinion, ordering the CUSIPs after the award date is, in fact, *more* efficient, especially in the case of a bond sale where the final structure of the sale is not determined until the bids are compiled. In a competitive sale, we regularly attempt to make the notice of sale language broad enough to permit the broker/dealer bidders to structure the issue with serial bonds and term bonds wherever they see fit throughout the issue's maturities in order to arrive at their best bid. Inefficiency would, in fact, occur, if the CUSIPs were applied for prior to the award date, then necessarily changed after the award date to conform with the way the winning bid was structured.

- The MSRB has stated that that CUSIPs are “relied on in the municipal securities market to identify securities for a number of purposes, including trading, recordkeeping, clearance and settlement, customer account transfers and safekeeping.” Those reasons have nothing to do with our role as an MA representing the best interests of our clients, the issuers. Rather, CUSIPs are relied on for investor purposes, which are the responsibilities of underwriters. My understanding is that the intent of current regulations is to ensure that an MA in no way acts like a broker/dealer. Making the MA responsible for CUSIPs appears to blur the line between MA and broker/dealer activities.
- Further, there is no discussion in the MSRB proposal concerning what to do if MAs obtain CUSIPs and no bid is awarded. Assigning CUSIPs before the award in this case would cause creating either unnecessary CUSIPs or requiring new CUSIPs to be obtained after the formal award, clearly creating an inefficiency.
- The MSRB proposal also details that “In 1986, the MSRB amended Rule G-34(a) to require a dealer acting as a financial advisor (“dealer municipal advisor”) in a competitive sale of a new issue of municipal securities to apply for CUSIP numbers “in sufficient time to allow for assignment of a number prior to the date of award.” This application of the CUSIP number requirement only to dealer municipal advisors is largely the result of Rule G-34 pre-dating the municipal advisor regulatory regime mandated by the *Dodd-Frank Wall Street Reform and Consumer Protection Act*”. If the MSRB proposal is simply trying to conform with the 1986 language regarding broker/dealers acting as MA’s by requiring that non-broker/dealer MA’s be held to the same standard, perhaps the better solution is to free the broker/dealer MA’s from this requirement, rather than extend the requirement to include non-broker/dealer MA’s. If that were done, efficiencies would, in fact, be gained by having the broker/dealer that is purchasing the securities apply for CUSIPs in all cases, irrespective of what type of MA served on the transaction.

Thank you for considering these comments against the proposed requirement to have non-dealer MA’s responsible for the assignment of CUSIP numbers on competitive sales.

Sincerely,



Michael G. Sudsina, President
Sudsina & Associates, LLC

