



**EHLERS**

LEADERS IN PUBLIC FINANCE

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC  
20549

Re: Comments on File Number SR-MSRB-2017-06

To Whom It May Concern,

I am writing asking that the Commission remove section (a)(i)(A)(3) that requires municipal advisors to make application on competitive sales for CUSIP numbers and amending section (a)(i)(F) to remove “municipal advisor” with respect to a competitive sale from having to determine the intent of a purchasing entity to hold the municipal security to maturity.

My request is based on the fact that the Commission has not provided guidance on the role of the municipal advisor in private placements. There also is little guidance on what is a municipal security vs a bank loan. As a municipal advisory firm that must put policies and procedures in place to ensure that we do not cross the underwriter line, our firm must only advise the municipal entity, assume it is a municipal security and refrain from interacting with the purchasing entity. Requiring the municipal advisor to have a conversation with the purchasing entity about the intent of the purchasing entity is a conversation that crosses the line and is an underwriter activity. Once that line is crossed, why are other transaction related conversations between the purchaser and municipal advisor not allowed?

By removing (a)(i)(A)(3), there will be consistent expectations, less time and less change to CUSIP applications since the CUSIP numbers will always be secured by the underwriter once the municipal entity has approved the offering. This is due to the fact that in a negotiated issue the underwriter has predetermined the maturity schedule they are making application for and in a competitive sale the best bid will be submitted with a defined maturity schedule after which the application will be made. In a competitive sale, the bidder is often given the option to term up maturities but then require a mandatory sinking fund so the serial schedule is realized. If the application is made by the municipal advisor when the notice is published, there will be confusion as well as unnecessary additional work and cost by the municipal advisor that ultimately gets passed on to the municipal entity when the municipal advisor amends the proposed maturity schedule CUSIP numbers to reflect the final maturity schedule.

Additionally, municipal entities benefit from having the advice of a municipal advisor but are not required to have a municipal advisor. The debt is that of the municipal entity. Requiring CUSIP numbers only when a municipal advisor is involved will be another reason the municipal entity may rethink retaining a municipal advisor, an action by a municipal entity I hope any proposed rule would not facilitate.

Sincerely,

Steve Apfelbacher  
President





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