
PUBLIC RESOURCES ADVISORY GROUP

October 10, 2017

Mr. Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Proposed Rule Change to Amend MSRB Rule G-34

Dear Mr. Fields:

Public Resources Advisory Group ("PRAG") is a financial advisory firm registered with the MSRB (MSRB ID K0133) and the SEC (Registration Number 867-00146). We serve as advisor on both competitive and negotiated transactions. PRAG been ranked among the top three financial advisors (by volume) by Thompson Reuters during the last five years.

We reviewed the MSRB's First and Second Request for Comment on amendments to Rule G-34 as well as the comments submitted in response to those requests. PRAG agrees with many of the comments that were made during that process, and as such we were surprised that the MSRB submitted these changes to the SEC for approval.

Municipal Advisors Applying for CUSIP Numbers in Competitive Sales

As non-dealer municipal advisors we have carefully considered the impact of the amendment requiring non-dealer municipal advisors to obtain CUSIP numbers within one day of the dissemination of a notice of sale (or other request for bids). We do not see any benefit to this requirement. In fact, we believe this will cause confusion in two ways:

- First, obtaining CUSIP numbers prior to sale may result in the assignment of CUSIP numbers for bonds that are never issued. This could occur because (1) competitive sales often allow underwriters to determine bond maturities and to utilize either serial or term bonds and/or (2) sales may be postponed or restructured. We see a high likelihood that errors will result from the issuance of un-utilized CUSIP numbers.
- Second, CUSIP numbers will be ordered by one firm, with billing to another. Since the amendments allow the underwriter to pay for the CUSIPs, there will likely be confusion when a municipal advisor applies for CUSIPs but cannot identify the firm that will pay the invoice.

It is simply not clear to us that this proposal improves market efficiency. We think just the opposite; involving non-dealer municipal advisors in obtaining CUSIP numbers before sale will create confusion and duplication of effort.

If the MSRB's concern is regulatory imbalance, we suggest that G-34 be revised to remove the requirement that dealer municipal advisors obtain CUSIP numbers. Requiring non-dealer municipal advisors to secure CUSIP numbers prior to a competitive sale does not improve market transparency or balance information asymmetry and has the negative impact described



above. We are not aware of any evidence that market activity has been delayed when a dealer applies for CUSIP numbers after notification of an award of sale.

Exception from CUSIP Numbers for Private Placements

PRAG has concerns about the process and procedures that placement agents or municipal advisors will have to develop to reach “a reasonable belief as to the likelihood that the bank would hold the municipal securities to maturity or limit any resale to another bank.” The only way we know to accomplish this goal is to require certification from the bank.

We appreciate the opportunity to submit this comment letter.

Sincerely,

A handwritten signature in black ink that reads "Marianne F. Edmonds".

Public Resources Advisory Group

Marianne F. Edmonds

Senior Managing Director