



**Remarks Of**

**Richard Y. Roberts  
Commissioner\*  
U.S. Securities and Exchange Commission  
Washington, D.C.**

**Alternatives for Improving  
Municipal Secondary Market Disclosure**

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**\*/ The views expressed herein are those of Commissioner Roberts and do not necessarily represent those of the Commission, other Commissioners or the staff.**

**U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549**

# **Alternatives for Improving Municipal Secondary Market Disclosure**

## **I. Introduction**

**I appreciate the opportunity to participate in this conference of The Southern Municipal Finance Society. It is my intention today to focus on the alternatives currently under active consideration to improve secondary market disclosure in the municipal securities market.**

## **II. Overview of the Municipal Securities Market**

**However, before I begin to discuss these alternatives, it may be helpful to start with my current perspective on the municipal securities market. The municipal securities market continues to be an exciting and active one. The record-breaking municipal securities issuance volume in 1992 of \$275 billion<sup>1</sup> may very well be surpassed in 1993. In the first six months of this year, a total of \$143.7 billion of municipal securities were issued.<sup>2</sup> I understand that this represents the heaviest municipal securities issuance volume since the last six months of 1985, when issuers and underwriters scrambled to bring their bonds to market before the effective date of the Tax Reform Act of 1986.<sup>3</sup> By the end of July of this year, the issuance number had risen to a stunning \$166.1 billion, which represents a thirty-one percent increase over the same period a year ago.<sup>4</sup> Well over half of these new municipal issues are refundings.<sup>5</sup>**

**Low interest rates, of course, are the primary driving force behind the new issues and the continuing number of refundings brought to market. The low interest rates have not only made many capital intensive projects less expensive, but they have also encouraged municipalities to refinance their callable debt.**

**Further, investor demand continues to outstrip the ever-increasing supply. The anticipated continuing increase in individual tax rates appears to be the driving force behind this surge of individual investor interest. The demand for municipals on the**

part of individual investors is expected to continue to rise,<sup>6</sup> particularly as tax rates continue to rise.

While sales activity in the municipal market is booming, some shadows are overhanging this market. Indeed, the municipal bond market is currently undergoing more intense scrutiny than it has in many years.<sup>7</sup> Recent allegations of political influence peddling involving bonds issued by the New Jersey Turnpike Authority and of undisclosed conflicts of interest involving bonds issued by the Massachusetts Water Resources Authority have called into question the processes through which issues of municipal securities are awarded to underwriters and through which members of an underwriting syndicate are selected.<sup>8</sup>

As a result of this scrutiny, Congress and the Commission, among others, are investigating the extent to which underwriters' practices of making political contributions and of entering into side undisclosed contractual agreements are consistent with the requirements of the federal securities laws.<sup>9</sup> Pursuant to a request from Congress, the Commission has recently issued an extensive and aggressive staff report ("Staff Report") containing a number of recommendations aimed at responding to the nagging problems which persist in this market, and Congress recently held a hearing on this subject.<sup>10</sup> Moreover, the Municipal Securities Rulemaking Board ("MSRB") recently has announced that it intends to adopt a rule governing direct and indirect political contributions by municipal securities underwriters.<sup>11</sup> In addition, in response to these allegations of influence peddling and of conflicts of interest, some municipal issuers are shifting to offering securities only on a competitively bid basis.<sup>12</sup>

In the Staff Report, the Staff took the opportunity to attempt to address not only the political influence peddling and conflict of interest problems which I alluded to earlier but also other problems which appear in the municipal securities market such as sales practice abuses, the lack of transparency, the lack of pricing information, and the

lack of disclosure, particularly the lack of secondary market disclosure. Inasmuch as I have been requested to speak on the subject of secondary market disclosure today, I will focus on that subject with this presentation. However, the other matters that I mentioned which also were addressed in the Staff Report are important as well, and I desired to stress that point.

While the focus of the current scrutiny of the municipal securities market has been on the need to correct certain persistent problems, as I stated earlier, there is also a great deal of good occurring in this market. Everyone should not lose sight of that. This point was made recently by a noted financial columnist in The Washington Post.<sup>13</sup> While I agree with just about everything which appeared in this particular column, I disagree with his conclusion that no reform is necessary. I believe that some municipal securities market reform should occur, although it should be measured, appropriate, reasonable, and cost-effective. I recognize that the municipal securities market is not collapsing and that the reform necessary falls in the category of adjustment rather than reconstruction. Although there are a number of nagging problems which deserve attention, the responses thereto should be balanced and tempered with the notion that this market is thriving and is fairly efficient. However, complacency is not the appropriate response in my view.

The ability of thousands of governmental issuers to enter the municipal bond market repeatedly in order to finance the needs of their communities depends upon the strength of the relationship that has been forged with investors. The integrity of the municipal securities market is central to this relationship and central to the success of that marketplace. Municipal securities have traditionally been viewed by investors as a relatively "safe" investment, and I believe that everyone here would like for that view to continue.

### **III. Secondary Market Disclosure**

Returning to the subject of secondary market disclosure, disclosure deficiencies have always existed in the municipal securities market. As a result of the WPPSS controversy, the Commission attempted to remedy initial disclosure deficiencies in this market through the promulgation of Exchange Act Rule 15c2-12.<sup>14</sup> Although initial disclosure deficiencies continue to persist and further improvement remains necessary, primary disclosure practices have improved considerably; and I believe that Rule 15c2-12 has been relatively successful. The gaping disclosure deficiency which currently exists in the municipal securities market is in the secondary market.

The Public Securities Association ("PSA") earlier this year in a letter to the MSRB indicated that the lack of secondary market disclosure poses one of the more serious customer protection problems in the municipal securities market.<sup>15</sup> I agree. The lack of secondary market disclosure is a problem for brokers when recommending municipal securities to retail investors, for municipal bond funds when they attempt to mark their securities to the market daily, and to investors when they attempt either to buy or to sell municipal bonds in the secondary market. These problems will become even more exacerbated if municipal bond trading increases as expected, and it is already estimated that municipal securities trading averages \$3 billion per day by dollar amount.<sup>16</sup>

Fortunately, there are a range of alternatives now under active consideration to deal with the lack of secondary market disclosure in the municipal securities market. I will discuss four of them -- the totally voluntary approach, the MSRB initiative, the Staff Report rulemaking recommendations, and the Staff Report legislative recommendations.

Beginning with the totally voluntary approach, I acknowledge that many municipal securities market participants have been working diligently to encourage

**adequate secondary market disclosure through voluntary means. Everyone would prefer to see an adequate secondary market disclosure program established through voluntary means, and some progress in that direction has been made. Still, the slow pace has become increasingly frustrating for me recently. Hopefully, as the hothouse of publicity heats up the municipal securities arena, these voluntary efforts will begin to bear fruit, although I am not holding my breath.**

**It may be helpful to describe many of the voluntary secondary market disclosure initiatives underway. Over the past few years, the Government Finance Officers Association ("GFOA") has worked actively with the National Federation of Municipal Analysts ("NFMA") on a number of projects designed to enhance secondary disclosure in the municipal market.<sup>17</sup> Most recently, the GFOA and the NFMA have announced their plan for a three part program to assist issuers in improving secondary market disclosure.<sup>18</sup> Under this plan, the GFOA and the NFMA would develop a handbook for issuers, which, among other things, would include information regarding how to use the MSRB's CDI system.**

**This plan also contemplates establishing a training program that consultants, state agency staff members, private companies, and trade groups could use to educate issuers on the use of both the handbook and the CDI system. In addition, the GFOA and the NFMA intend to develop a marketing strategy for the handbook and the CDI system.<sup>19</sup> I am heartened by the extent of the cooperation between two such influential industry groups as the GFOA and the NFMA, and I hope that the MSRB will join in this effort.**

**Two other NFMA actions designed to advance secondary disclosure in the municipal securities market are also noteworthy. First, in January of 1992, the NFMA introduced its Certificate of Recognition program through which it recognizes municipal issuers that provide ongoing audited financial statements and other such information**

relevant to their outstanding securities. I further understand that the GFOA encourages its members to participate in this program.

In addition, the NFMA issued its Model Language Resolution, calling for municipal bond official statements to disclose, at the time of sale, the extent of issuer commitment to provide secondary market disclosure of financial and credit information. I understand that, to date, over two hundred issuers nationwide have pledged to provide such ongoing information.<sup>20</sup> The MSRB's recently announced secondary market disclosure initiative, which I will discuss in more detail momentarily, appears to be leading toward imposing similar disclosure on broker-dealers. I hope that the NFMA pledge and the MSRB's recently announced initiative will eventually trigger a market pricing and demand reaction to issuers who are forthright in their voluntary dissemination of future credit information.

The American Bankers Association ("ABA"), representing bank trustees, has published guidelines for bank trustees on continuing disclosure, the Disclosure Guidelines for Corporate Trustees ("ABA Guidelines").<sup>21</sup> The ABA Guidelines are designed to assist trustees in determining the content and timing of various types of disclosures on a voluntary basis. The ABA Guidelines state that the establishment of a central repository to receive disclosure information is the best way to provide equal access to information and is essential for secondary market disclosure.

Further, the Investment Company Institute apparently is developing suggested secondary market disclosure guidelines for tax-exempt money market funds and tax-exempt bond funds.<sup>22</sup> These guidelines would recommend that all tax-exempt funds have access to certain information, including a copy of the final official statement and enough current information for a fund to analyze the credit risks of purchase. Of course, I am of the view that a condition of a municipal security being money market fund eligible should be that secondary market disclosure is available.

The National Association of State Treasurers ("NAST") and the National Association of State Auditors, Comptrollers, and Treasurers ("NASACT") are also actively involved in secondary market disclosure initiatives. NASACT in particular has become quite active in this area, with the most recent example being the release of the Report of the Blue Ribbon Committee on Secondary Market Disclosure.<sup>23</sup> NASACT's efforts to improve the collection of secondary market disclosure within states have been instructional in assessing the sluggish reception of CDI. Through its fourteen state study on disclosure practices, NASACT has shown that some state agencies already collect a tremendous amount of ongoing information about municipal issuers and their securities.<sup>24</sup> As NASACT has correctly pointed out, however, that information generally is not collected in a central place. In addition, that information may not be comprehensive or timely. Because the pertinent information for a given issuer may be scattered over several state agencies, it is not easily accessible to the investors who need it. NASACT's study has been useful, and I encourage further examination of the extent of existing disclosure. However, I am not optimistic that a state-by-state repository or disclosure approach is the way to go. Such an approach lacks uniformity, will take too long to implement, will be too expensive, does not appear to be practicable, and thus, in sum, probably would prove to be ineffective.

I should mention that a number of prominent bond attorneys have decided that existing securities antifraud laws, which require timely disclosure of all material information if any material is disclosed, in effect, require issuers to identify what continuing disclosure they are obligated to make by contract and by law, and what they plan to do as a matter of policy.<sup>25</sup> By stating clearly what information will be made available and to whom, an issuer arguably has satisfied this aspect of the materiality disclosure standard, and the marketplace is then in a position to react accordingly.

**Incidentally, I agree that the availability of secondary market information is a material fact that should be disclosed to investors. The MSRB's recently announced secondary market disclosure initiative also appears to conceptually endorse the view that this information is material and should be disclosed to investors in a timely manner.**

**Since I have mentioned bond attorneys, I should further mention that the National Association of Bond Lawyers is also currently engaged in a counsel disclosure project. Again, it is my hope that, over time, the marketplace will reward those issuers who pledge to provide voluntary secondary market disclosure with a "liquidity premium."**

**In order for voluntary secondary market disclosure initiatives to work, the disclosure provided must be designed to inform investors and must be cost-effective. The usefulness of this information to investors, of course, will depend upon its timeliness, reliability, relevance, and accessibility. What is probably necessary from many issuers is only the provision of an annual audited financial statement within a reasonable length of time after the end of the fiscal year and the timely dissemination of a notice upon the occurrence of a material event. In terms of cost-effectiveness, frequent issuers will receive more benefits and experience lower marginal costs from providing disclosure to the market than will infrequent issuers. Moreover, for many small issuers that go to market infrequently, the economic benefits obtained from providing secondary market disclosure may not justify the costs.**

**One major problem will be to find the right balance of disclosure that will satisfy investors but will not impose excessive costs on issuers. This is why the joint GFOA/NFMA projects to provide issuers with standardized methods of disseminating secondary market disclosure are so important. I must note here that in January, the NFMA approved the first standardized format for tax-exempt issuers and trustees to**

use for providing disclosure to the secondary municipal securities market.<sup>26</sup> Again, it is my hope that improved, cost-effective, and more frequent voluntary secondary market disclosure by the appropriate issuers will result quickly from all of the many voluntary initiatives underway.

Unless significant progress is made in a hurry, however, all of these voluntary efforts notwithstanding, the lack of secondary market disclosure will continue to impede the liquidity and efficiency of the municipal securities secondary market for some time to come. Possibly, but not likely, the current heightened awareness of this problem in the industry will accelerate the pace with which voluntary improvements are made, or possibly, the Staff Report and the congressional hearing will provide the impetus needed for the voluntary projects to achieve meaningful progress.

#### **IV. Regulatory and Legislative Alternatives**

Having pointed out some of the more noteworthy voluntary efforts to improve such disclosure, I should emphasize again that although I prefer to see adequate disclosure established in the market through totally voluntary means, my patience has basically expired. I personally am prepared to ditch the voluntary approach and to pursue an involuntary approach through regulation or legislation.

Some market participants also already appear to prefer immediate regulatory or legislative action over waiting for voluntary efforts to bear fruit. A study conducted late last year by the NFMA indicates a significant number of municipal analysts and institutional investors apparently would favor Commission requirements compelling issuers to disclose whether they will provide periodic reporting, and even a higher number would favor Commission requirements compelling issuers to provide such periodic reporting.<sup>27</sup>

**The Staff Report agreed as well that the totally voluntary approach has not worked to date and that legislation would serve as the only comprehensive solution.**

**The Report stated:**

**Although these voluntary efforts should be encouraged, by their very nature, they are insufficient to address the inconsistencies in the quality of disclosure in the municipal securities market. In the Staff's view, comprehensive improvement of the existing system would require Congressional action. Congress, for example, could provide the Commission with direct statutory authority to set mandatory disclosure requirements for municipal issuers and authorize specifically the Commission to require continuing financial disclosure by municipal issuers. Congress could even rescind the exempt status of municipal bonds under the Securities Act and the Exchange Act, thereby subjecting them to the registration and continuous reporting obligations applicable to corporate and foreign government bond issuers. The system for corporate and foreign government bond issuer reporting could not be adopted wholesale, but would need to be adjusted to take into account the unique characteristics of the municipal securities market.<sup>28</sup>**

**Chairman Levitt further stated in his testimony at the congressional hearing that a legislative approach was the only meaningful way to ensure comprehensive disclosure both on an initial and continuous basis.<sup>29</sup> However, in almost the same breath, Chairman Levitt indicated that passage of such legislation was unlikely.**

**When the Securities Act was enacted in 1933 and the Exchange Act in 1934, Congress made the decision that the regulatory burden in the municipal securities market was to be placed on the broker-dealer industry. That view was reaffirmed with the passage of the Tower Amendment in 1975. It is unlikely that this view will change**

**in the near future. Thus, as attractive as the legislative alternative is to me, I am not optimistic that such an approach will work.**

**This brings us to the regulatory alternatives. Rather than wring their hands and whine about their lack of jurisdiction, the Staff in their Report also explored Commission rulemaking alternatives in the event that the legislative approach was not followed. The Staff Report set out that:**

**If Congress chooses not to provide the Commission with full authority to address the adequacy and consistency of disclosure in this market, the Staff believes that the Commission could explore ways to improve initial and secondary market disclosure under its existing authority. Specifically, the Staff will prepare a memorandum and draft release recommending that the Commission use its interpretive authority to provide guidance regarding the disclosures required by the antifraud provisions of the federal securities laws. Similarly, the Staff will recommend amending Rule 15c2-12, or adopting similar rules, to prohibit municipal securities dealers from recommending outstanding municipal securities unless the municipal issuer makes available ongoing information regarding the financial condition of the issuer of the type required in initial offerings. Given these alternatives for increased disclosure, the Staff does not believe that the legislative grant of additional authority to the MSRB, which would enable the Board to establish offering document standards for municipal issuers, is necessary.<sup>30</sup>**

**Although awkward, the Commission rulemaking approach recommended by the Staff has merit and is attractive to me. Of course, there probably should be certain exceptions to any rule such as for issues of less than \$1 million and for state general obligation issues. Further, how to handle outstanding issues is an interesting question.**

Possibly, a grandfather clause would be necessary making the rule prospective only, which poses both drafting and operational hurdles.

In any event, the Staff's rulemaking approach deserves strong consideration, and I would be inclined to support such an approach. However, I recognize that others, including the PSA, consider this approach draconian in nature and rather impracticable. Many of those objecting to this approach also resent the unfairness of placing an additional regulatory burden on the broker-dealer industry. While the municipal securities market is lightly regulated (and does not need much regulation for that matter), I acknowledge that broker-dealers are very heavily regulated already. However, Congress made the decision years ago that broker-dealers are the appropriate party to bear this burden, and Congress does not appear at the present to be likely to change that view.

The fourth and final approach that I will discuss today would be for the Commission neither to engage in a rulemaking effort, nor to seek legislation, nor to rely on the totally voluntary approach to take hold, but rather to wait and to see what the MSRB secondary market disclosure initiative develops into and what that initiative is capable of accomplishing. Apparently the MSRB intends to adopt a rule requiring the underwriter for each issue of municipal securities: (i) to explain to the issuer the significance and importance of continuing disclosure in the secondary market; and (ii) to recommend that the issuer undertake a commitment to provide continuing disclosure for the issue being underwritten. The MSRB also apparently intends to adopt a rule to require all dealers to make certain written disclosures to customers who purchase municipal securities. The disclosures would: (i) indicate to the customer whether the issuer of the securities has made a commitment to provide continuing disclosure for the issue; and (ii) explain the effect that the lack of continuing disclosure information may have on the ability of the customer in the future to obtain an accurate valuation of the

securities and to find a ready market for the securities if they are sold prior to maturity.<sup>31</sup>

Although the details of this initiative have not yet been determined, the MSRB is optimistic that this concept will improve continuing disclosure in the municipal market. It is anticipated that the MSRB will publish this initiative in the near future, and I strongly encourage that the MSRB do so as soon as possible. I commend the MSRB for moving aggressively and quickly to date with respect to both the proposed political contribution rule and the secondary market disclosure initiative.

It may be that the Commission will need to issue an interpretive release to provide guidance regarding the disclosures required by the antifraud provisions of the federal securities laws even if the MSRB approach is followed. Such a release would be useful in improving the state of municipal securities disclosure and would make the MSRB initiative more meaningful. While the Commission's antifraud jurisdiction is not without limits, clearly municipal issuers already have disclosure responsibilities in accordance with the provisions of the federal securities antifraud laws.

While I have become fairly frustrated at the rate of progress on improving the state of secondary market disclosure in the municipal securities market, and my preference for the Staff Report's Commission rulemaking alternative notwithstanding, I suppose the better course of action would be to wait and to review the MSRB's proposed rule, assuming it is published soon, before initiating any Commission action. I recognize that sometimes "haste makes waste."

#### V. Conclusion

I personally am prepared to pursue a regulatory or legislative approach to improve secondary market disclosure in the municipal securities market, but I am also prepared to wait and to review the MSRB initiative before pursuing any Commission action. I believe that the municipal securities marketplace could voluntarily impose its

**own secondary market disclosure discipline in a manner that provides economic benefits to all concerned but to date has not, so I am not prepared to rely only on a totally voluntary approach.**

## ENDNOTES

1. **See** "Municipal Market Update," Public Finance Digest, a newsletter published by the Government Finance Group, Inc. (Jan. 1993), at 1.
2. **See** Mitchell, "Municipal Bond Issuance Leaps Despite Investigations," The Wall Street Journal (July 1, 1993), at 10.
3. **Id.**
4. The Wall Street Journal (August 11, 1993), at A1.
5. Mitchell, *supra* note 2. **See also** Fuerbringer, "Corporate Issues Drop Off in April," The New York Times (April 27, 1993), at D16.
6. "Majority of Investors Considering Municipal, MBIA Survey Reports," The Bond Buyer (April 6, 1993), at 2.
7. **See** "The Trouble With Munis," Business Week (Sept. 6, 1994), at 44.
8. **See, e.g.,** Dickson & Pressman, "Consolidated Armacon Ties Raise Securities Law Questions," The Bond Buyer (June 4, 1993), at 1; Wilke, "Massachusetts is Roiled by Bond Scandal," The Wall Street Journal (July 21, 1993), at C1; Myerson, "Bond Buyers' Gain, Taxpayers' Loss," The New York Times (Sept. 5, 1993), at D11; "The politics of money," U.S. News & World Report (Sept. 20, 1993), at 67.
9. **See, e.g.,** Stamas, "Dingell, Markey Extend Deadline for Regulators' Response on New Rules," The Bond Buyer (July 8, 1993), at 1; Stamas & Racine, "SEC Alters Its Request To Obtain Information On Political Donations," The Bond Buyer (August 3, 1993), at 1.
10. **See** , SEC, Staff Report On The Municipal Securities Market, Submitted to the House Committee on Energy and Commerce, 103rd Cong., 1st Sess. (Sept. 1993) ("Staff Report").
11. **See, e.g.,** Stamas, "Coming MSRB Ban on Political Contributions Would Bar Both Direct and Indirect Donations," The Bond Buyer (August 6, 1993), at 1; Harlan & Vogel, "Bond Group Moves to Curb Political Gifts," The Wall Street Journal (August 5, 1993), at C1.
12. **See, e.g.,** Vogel, "Furor Over Munis May Spur Competitive Bids," The Wall Street Journal (August 12, 1993), at C1; Napach, "More Munis Seen Going to Lowest Bidder," Investor's Business Daily (June 9, 1993), at 1; Dickson, "Attorneys, Advisers Slashing Prices Since New Jersey Ordered Bids for Bond Work," The Bond Buyer (Sept. 10, 1993), at 1.
13. Leberherz, "Municipal Bond Market Does Not Need Reform," The Washington Post (Sept. 12, 1993), at H11.

14. Rule 15c2-12 requires underwriters to insist that municipal issuers make available official statements at a time when, and in quantities which, they might not otherwise be produced. The rule is purely procedural; it does not impose any requirements regarding the content of official statements. The content of these statements continues to be governed by the antifraud provisions. Nonetheless, the proposing and adopting releases for Exchange Act Rule 15c2-12 contained an interpretation regarding the due diligence responsibilities of underwriters under the federal securities laws that emphasized the importance of complete disclosure in the issuer's offering documents, and the underwriter's duty to review these documents for omissions or misstatements. See Exchange Act Release No. 26100 (Sept. 22, 1988), 53 FR 37778, 37785 ("Proposing Release"); and Exchange Act Release No. 26985 (June 28, 1989), 54 FR 28799 ("Adopting Release").
15. Letter from Gerald P. McBride, Chairman, Municipal Securities Division, PSA, to Harold L. Johnson, Deputy General Counsel, MSRB, dated January 8, 1993 ("PSA Letter").
16. See Staff Report, supra note 10, at 46 n.18.
17. For example, the GFOA and the NFMA have collaborated on an Illustrations and Examples of Disclosure publication, which, among other things, will provide examples of, and worksheets for, secondary market disclosure for general obligation, revenue, and special district bonds. See "Muni Issuers, Analysts Join Forces on Secondary Market Info," Wall Street Letter (Sept. 14, 1992), at 6. This publication should be a useful supplement to the NFMA's Disclosure Handbook for Municipal Securities, the NFMA's 1992 Update, and the GFOA's Disclosure Guidelines for State and Local Government Securities. See generally, "Shall We Dance? Disclosure and the National Federation of Municipal Analysts," The Bond Buyer (May 19, 1993), at 6A.
18. See Stamas, "MSRB Asked to Help Finance Secondary Market Disclosure Initiative," The Bond Buyer (August 4, 1993), at 2. The GFOA and the NFMA have requested funding from the MSRB for this project.
19. Id.
20. Stamas, "Lawyers, Analysts Like MSRB Contribution Proposal; Underwriters Still Don't," The Bond Buyer (August 11, 1993), at 5.
21. American Bankers Association Corporate Trust Committee, Disclosure Guidelines for Corporate Trustees (Oct. 1991).
22. Stamas, "Investment Company Panel Will Draft Secondary Market Disclosure Guidelines," The Bond Buyer (July 1, 1992), at 1.
23. Blue Ribbon Committee on Secondary Market Disclosure, Report to the National Association of State Auditors, Comptrollers, and Treasurers on Improving Secondary Market Disclosure (Aug. 1993).

24. Stamas, "Panel is Formed To Help Out States In Their Collection of Continuing Data," The Bond Buyer (Nov. 16, 1992), at 1; Stamas, "Blue Ribbon Panel Seeks To Upgrade Secondary Market Disclosure Data," Public Finance/Washington Watch (Nov. 13, 1992), at 7.
25. See Stamas, "Issuers' Intentions on Secondary Disclosure are Starting to Appear in Official Statements," The Bond Buyer (Dec. 14, 1992), at 1.
26. See Stamas, "Analysts Group Approves Standardized Disclosure Format," The Bond Buyer (Feb. 1, 1993), at 5.
27. "Membership Survey Results," Municipal Analysts Bulletin, a newsletter published by the NFMA (Nov. 1992), at 3. According to this survey, almost 60% of the analysts and over 80% of the institutional investors surveyed supported the proposition that the Commission should require issuers to disclose whether they would provide periodic reporting. Moreover, almost 75% of the analysts and almost 80% of the institutional investors surveyed supported the proposition that the Commission should require issuers to provide such periodic reporting.
28. See Staff Report, supra note 10, at 39.
29. See Testimony of Arthur Levitt, Chairman, SEC, Concerning the Municipal Securities Market, Before the Subcommittee on Telecommunications and Finance of the House Committee on Energy and Commerce (Sept. 9, 1993), at 6.
30. See Staff Report, supra note 10, at 40.
31. See Report of the Municipal Securities Rulemaking Board on Regulation of the Municipal Securities Market, Submitted to the House Committee on Energy and Commerce, 103rd Cong., 1st Sess. (Sept. 1993), at 73-4.