



Utah Educational
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September 14, 2012

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Comments Concerning MSRB Notice 2012-40, Request for Comment on Draft Proposal to Collect 529 College Savings Plan Data

Dear Mr. Smith:

The Utah Educational Savings Plan (UESP), Utah's official 529 college savings plan, appreciates the opportunity to comment on MSRB Notice 2012-40, Request for Comment on Draft Proposal to Collect 529 College Savings Plan Data (Notice), issued August 6, 2012.

Under separate cover, the College Savings Plans Network (CSPN) and the College Savings Foundation (CSF) are submitting a joint comment about the Notice on behalf of the 529 industry. As a member of CSPN, UESP concurs with that letter. Because Utah does not engage a municipal securities dealer to serve as a primary distributor for its 529 college savings plan, UESP would not be required to submit information to the MSRB under new Rule G-45, but could elect to voluntarily do so. Accordingly, UESP submits these separate comments from its perspective for your consideration.

Merits of 529 Plan Data Collection

UESP appreciates the MSRB's efforts to gather information from 529 plans in order to gain a better understanding of individual plans and the 529 market as a whole. Since market analysis would be incomplete without timely, uniform information from those plans that are directly distributed by states, UESP is willing to work with the MSRB about voluntarily reporting appropriate plan information.

For UESP, the information proposed to be collected in the draft rule is available. Assuming that the MSRB does not establish unusual requirements or specifications, UESP does not expect that it would incur additional material burdens or costs to voluntarily report such information to the MSRB.

Potential Challenges Relating to Data Collection

Although UESP anticipates that it could report the requested information with little additional burden or cost, there are several other concerns that UESP respectfully requests the MSRB to address before the proposed draft Rule G-45 is finalized.

1. Definitions of Terms

As the MSRB moves forward, the defined terms “strategy” and “portfolio” in subsection (d) of the rule should be replaced with “investment option” and “underlying investment.” By matching the terms provided in the rule with well-established usage among many 529 plans, the potential burden and confusion of changing plan terms or using two sets of terms would be eliminated. The suggested change is also consistent with industry guidance included in CSPN’s Disclosure Principles.

UESP requests that the MSRB work with CSPN to clarify the meaning for the 529 industry of the other defined terms provided in the draft rule.

2. Confidentiality of Information

UESP’s willingness to voluntarily provide certain information depends on how the information will be treated by the MSRB. Some information proposed to be collected in the draft rule is considered commercially sensitive by UESP and may be voluntarily provided to the MSRB for its market analysis purposes only if it will be held in confidence and not be released to other parties.

While the Notice contains the MSRB’s stated intention to keep all of the submitted information confidential unless and until a new Request for Comment is issued, UESP is concerned that the text of the draft new rule does not contain this protection. Without assurances in the rule, UESP has reservations about voluntarily providing proprietary information to the MSRB.

3. Level of Information Requested

Like many other 529 plans, UESP considers some of its plan information, such as each underlying investment’s total assets, contributions, and distributions, to be commercially sensitive and proprietary. Even if assurances of confidentiality are provided in the text of the final rule as requested above, UESP would like to limit the amount of proprietary information that is reported to the MSRB. Plan-level information and certain investment option data should be sufficient to allow the MSRB to perform meaningful analysis of individual plans and the 529 market as a whole.

UESP respectfully requests the MSRB to eliminate subsections (iii)(C), (J), and (K) and subsections (iv)(C), (I), and (J) from the proposed draft Rule G-45 before it is finalized.

Ronald W. Smith, Corporate Secretary
September 14, 2012
Page 3

Conclusion

As noted above, UESP supports the MSRB's efforts to gather and analyze relevant information about 529 plans in order to gain a better understanding of the characteristics of the 529 plan market and of specific plans. UESP also supports the MSRB's efforts to educate the public about 529 plans.

UESP is willing to provide additional information or to discuss these comments at your convenience. UESP is also willing to talk with the MSRB staff to work out issues about voluntarily reporting information for plans that are not directly regulated by the MSRB.

As UESP's Executive Director, I submit this informational response to the Notice. Thank you for allowing me to offer comments on the Notice from UESP's perspective for your consideration.

Sincerely,

Lynne N. Ward, CPA
Executive Director
Utah Educational Savings Plan