



Post Office Box 1600
San Antonio, Texas 78296-1600

March 11, 2013

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

Dear Mr. Smith:

In response to MSRB Notice 2013-02, your request for comment on the development of a new Municipal Trade Reporting System to make more contemporaneous trade price information available, we respectfully submit the following comment.

It is our understanding that, as part of developing the new Municipal Trade Reporting System, the MSRB is considering reducing the fifteen (15) minute time-frame allowable for reporting the sale or purchase of municipal securities, as required by Rule G-14, as well as eliminating certain end-of-day exceptions and reducing the period of lag in reporting of trades currently subject to such exceptions.

Frost Bank appreciates the MSRB's attempt to increase market transparency through more contemporaneous trade price information by utilizing a new centralized transparency platform. However, we are concerned about the disproportionate impact of the new requirements on small and mid-sized banks and broker-dealers. The new reporting requirements will unfairly burden smaller organizations from both a cost and operational standpoint. The proposed reporting timeframes have the potential to place smaller dealers who do not have the trade volumes to support significant system and infrastructure upgrades at a distinct disadvantage to larger dealers with larger volumes who are in a better economic position to support an advanced platform that complies with the newly proposed requirements.

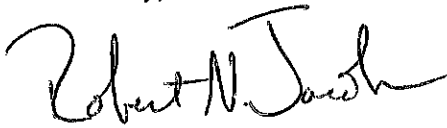
At the present time, Frost Bank utilizes the standalone dial-up system offered by the MSRB to report transactions. Our low monthly volume of municipal transactions would make it difficult from a cost perspective to upgrade to a more automated reporting option. This dial-up system allows us to comply with the existing requirements during normal trade volumes, however, if we are asked to process a large underwriting transaction or if we experience an unexpected spike in trade volumes, an accelerated reporting requirement would be difficult to meet given our current capabilities. We are aware the MSRB does currently offer other platforms for reporting transactions, however, these options are markedly more expensive and are more appropriate for organizations with much greater trade volumes than a smaller organization, such as Frost Bank.

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Frost Bank strongly requests the MSRB to leave the current reporting requirements and exemptions in place. Alternatively, when considering the new central transparency platform, strive to develop a platform that would increase the ease of reporting in a timely manner that is cost effective for all dealers regardless of size or trade volumes.

Your consideration in this matter is much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Jacobs". The signature is written in a cursive style with a large, prominent initial "R".

Robert N. Jacobs
Assistant Vice President / Compliance Officer