

November 19, 2015

***SUBMITTED ELECTRONICALLY***

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

*RE: Regulatory Notice 2015-18 Request for Comment on Draft Amendments to MSRB Rule A-3 to Lengthen the Term of Board Member Service*

Dear Mr. Smith:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit this letter in response to Regulatory Notice 2015-18, Request for Comment on Draft Amendments to MSRB Rule A-3 to Lengthen the Term of Board Member Service at the Municipal Securities Rulemaking Board (MSRB). BDA is the only DC based group representing the interests of middle-market securities dealers and banks focused on the United States fixed income markets and we welcome this opportunity to present our comments.

The BDA appreciates the importance in having a knowledgeable and experienced Board and we believe that lengthening the term of member service for this purpose is an approach worthy of industry consideration and feedback. Below we have laid out the reasons for which we support this change.

***Membership and Makeup of the MSRB Board of Directors***

We appreciate the specialized needs in assembling the MSRB Board given the statutory requirements that are in place. We note that the draft amendments would eliminate the additional requirement that there be at least one municipal advisor representative per class that is not associated with a dealer but that nothing would prohibit the MSRB from deciding to include more than three non-dealer municipal advisors on the board. Because the draft amendments would result in four classes and not three as in the current rule, not eliminating this requirement would cause the Board to always include four non-dealer municipal advisors, potentially diminishing the representation of other regulated entities. The BDA supports this adjustment since it is our preference to ensure the number of dealer-affiliated regulated entities on the board is as robust as possible such that our voice is not diminished throughout the rulemaking process.

### ***Rulemaking is an Iterative Process***

We appreciate the need to manage the learning curve associated with the arduous process the board must go through to study, evaluate and eventually make recommendations for rule proposals and changes that ultimately affect how the market operates. Since these changes impact the municipal market in such meaningful ways, we believe having an extra year to serve on the Board would promote continuity of knowledge and ensure appropriate overlap among those working on these initiatives.

In light of the extensive amount of ongoing regulatory change, we would also encourage the MSRB to take advantage of the extra year by considering instituting a robust, formalized training program for all incoming board members in year one. Adding an additional year of service supports the expectation that board members will be municipal market experts by year four. BDA believes the on-the-job learning process for Board members could be valuably supported by a formal training program, which will maximize the benefits of the proposed fourth year of service as a Board member. Therefore, the BDA believes that lengthening the term of Board member service, in conjunction with a more robust training process at the outset, will provide all Board members with the opportunity to be more deeply engaged throughout their service on the Board. We feel strongly that this approach would bolster and enhance all board members' understanding of the value and potential shortcomings of various regulatory and market items for consideration before the MSRB board.

### ***Transition Plan***

The BDA supports the MSRB's plan to provide Board member nominations for term extensions by a special nominating committee comprised only of Board members not being considered for extensions, then turning to the full board for a vote on each proposed term extension. We believe this approach is fair in that members on the nominating committee will not be themselves serving a longer term than the currently established term of 3 years. We believe that this approach reduces any potential for self-dealing since the nominating committee themselves will not be experiencing a term extension.

### ***Length of Board Service***

The MSRB has suggested a 4-year board term, while also allowing for consideration of other options. In reading through and comparing and contrasting the options available to other similarly situated Boards, the BDA believes that a 4-year Board term is an acceptable balance and results in a term neither too short nor too long. While we support this extension in the length of Board service, the BDA would go a step further to mention that the Board should be constantly vigilant in seeking out and securing the best quality candidates and members regardless of term.

Again, we appreciate the opportunity to comment on this proposal and we would be happy to answer any questions you have in relation to our perspective as laid out above.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Nicholas". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping underline.

Michael Nicholas

Chief Executive Officer