September 9, 2022

To: Municipal Securities Rulemaking Board

Re: MSRB Notice 2022-07

On behalf of Ford & Associates, Inc., a registered municipal advisory firm, thank you for the opportunity to respond to MSRB Notice 2022-07 (Request for Comment on Transaction Reporting Obligations under MSRB Rule G-14). We have reviewed the proposed rule change as well as all other comments submitted as of the date of this letter. We believe shortening the order reporting deadline in the manner described will have a strongly negative impact on smaller broker-dealers ("B/Ds"), the retail clients of those firms, and indirectly on the smaller municipal issuers who are disproportionately served by smaller B/Ds when issuing debt securities.

We respect and admire the MSRB's desire to pursue increased market transparency and efficiency through faster trade reporting. Shortening the reporting period to just 60 seconds would contribute, in theory, to more readily available information and a more efficient market. That might be the case if municipal bonds were listed and traded across exchanges in a manger similar to equities, but that is not the case. This rule change should instead be recognized as a potentially significant increase in transaction costs that would unreasonably impact smaller B/Ds lacking the technological resources of larger firms. To the extent those firms exit the market or limit trading in response to new or amended regulation (both plausible alternatives to huge expenditures to ensure regulatory compliance), issuers and/or investors suffer. Transaction costs are always and eventually borne by issuers and/or investors, through issuance costs on new offerings, lower bond prices/liquidity, greater ongoing expenses associated with debt management, and/or lack of professional assistance.

This is problematic for the smaller retail investors and issuers disproportionately served by smaller B/Ds. The dynamic exists not because smaller B/Ds maintain some competitive advantage, but because larger firms find little economic incentive to serve small issuers. We have a long-standing concern that smaller local governments, often lacking the staff resources, experience, and/or continuity of larger issuers, are being indirectly regulated out of the municipal bond market. To the extent that a proposed rule makes it even more difficult/costly to for regulated entities to participate in the market, we oppose it on the basis of its negative impact on local governments, particularly the smaller ones least equipped to handle it.

Thank you for your consideration. Sincerely,

Jonathan W. Ford
Senior Vice President
Ford & Associates, Inc.