



October 3, 2022

To: Municipal Securities Rulemaking Board
Re: Proposal to change to 1 minute reporting

Thank you for allowing us to provide our comments on MSRB proposal, Notice 2022-07. We believe the proposed 1-minute reporting rule change must be evaluated on a cost versus benefit basis. Although the rule may help add liquidity to some areas of the market, it will simultaneously, and severely, harm other parts of an already functional and efficient marketplace. As proposed, the rule is overreaching and will sharply increase many dealer's costs, specifically small firm such as ours. We must, therefore, assess if the harm is justifiable considering any intended improvements.

The proposed rule's stated benefits are improved transparency, price relevance, and immediate impact on market direction are relevant to large block trades, large issue sizes and ubiquitously viewed credits. These "relevant" trades can be market leading, telling, and important for comparison. Conversely, very little market direction can be gained or learned by small, or infrequently traded credits when viewed in light of a one minute or 15-minute reporting period.

Moreover, the industry currently lacks a cost-effective software solution for all dealers to comply with the rule. There is no centralized single solution available, and any new system would have to be implemented over existing technology. The prohibitive cost would reduce participation and efficiency. Other small, liquidity providing firms, will simply close in the face of the added expenses.

The current 15-minute window already provides ample insight to market levels, changing it to one minute will add negligible benefit to the majority of its participants.

We must keep in mind the innate differences between the municipal marketplace and the equity marketplace: the depth of the municipal market must be supported by a breadth of participants. Does shortening the reporting period on *all* transactions really help decision making? Are these 14 minutes on inconsequential trades worth the prohibitive costs and unintended consequences?

Respectfully,

Randy Nitzsche
President and CEO
Northland Securities INC. Minneapolis, MN