



**National Association of Independent
Public Finance Advisors**

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September 17, 2012

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

RE: MSRB Notice 2012-43 – Bond Ballot Campaign Committee Contributions

The National Association of Independent Public Finance Advisors ("NAIPFA") appreciates this opportunity to provide comments to the Municipal Securities Rulemaking Board (the "MSRB") in regard to MSRB Notice 2012-43 – Request for Comment: Rule G-37 on Political Contributions and Prohibitions on Municipal Securities Business – Bond Ballot Campaign Committee Contributions (the "Notice").

NAIPFA understands that such contributions are often made to bond ballot campaign committees for the purpose of influencing the selection or retention of underwriters, and are thus the equivalent of the impermissible pay-to-play contributions already banned under current Rule G-37. As such, NAIPFA welcomes the MSRB's determination that such contributions should be disclosed to the MSRB.

In addition, NAIPFA appreciates the MSRB's decision to expand the term "contribution" to include in-kind contributions.

However, NAIPFA is concerned that the proposed amendments to Rule G-37 (the "Amendments") do not go far enough in terms of curtailing the practice of contributing to bond ballot campaign committees (the "Practice") and will likely not have a significant impact thereon. NAIPFA acknowledges that these disclosures represent a positive first step towards policing this Practice, but hopes that the MSRB will put in place a ban similar to what currently exists with respect to the pay-to-play prohibitions contained within current G-37(b), or at least limit the Practice.

Overall though, NAIPFA believes that the Amendments will help protect the integrity of the municipal securities market by creating a more transparent environment. However, NAIPFA is unsure how the Amendments alone will benefit issuers or the public interest since the Amendments do not prohibit or limit the Practice. Such a prohibition or limitation would likely lead to a more competitive underwriting selection process, which in turn would result in financial benefits to issuers and taxpayers alike.



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NAIPFA believes that any burden, incremental or otherwise, placed upon municipal market participants in connection with the imposition of the Amendments will be outweighed by the benefits that the Amendments will have to the municipal market in terms of improving hiring practices, market transparency, and the policing of the Practice.

NAIPFA understands that although rules relating to Municipal Advisors have, for the most part, not yet been developed and/or implemented, that the MSRB may be interested in moving forward with applying the Amendments to municipal advisors. NAIPFA is supportive of this and believes that municipal advisors should be subjected to such rules when and if adopted. In addition, NAIPFA would support the inclusion of municipal advisors within the provisions of current Rule G-37 and, in particular, those portions contained within Rule G-37(c) and (d) in order to prevent municipal advisors from circumventing their disclosure obligations as well as the ban on campaign contributions. If, however, it is determined to limit the scope of the inclusion and only make the Amendments applicable to municipal advisors, NAIPFA urges the MSRB to also apply Rule G-37(c) to municipal advisors for the reasons set forth above.

Sincerely,

Colette J. Irwin-Knott, CIPFA
President, National Association of Independent Public Finance Advisors

cc: The Honorable Mary L. Schapiro, Chairman
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
Liban Jama, Counsel to Commissioner Aguilar
Lynnette Kelly, Executive Director, Municipal Securities Rulemaking Board