OMB APPROVAL	
OMB Number:	3235-0045
Expires:	June 30, 2010
Estimated average burden hours per response	38

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2008 - 05
Amendment No.

Proposed Rule Change by Municipal Securities Rulemaking Board

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial	Amendment	Withdrawal	Section 19(b)(2)	Section 19(b)(3)(A)	Section 19(b)(3)(B)
☑	☐	☐	☑	☐	☐

Pilot ☐

Extension of Time Period for Commission Action ☐

Date Expires

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Exhibit 2 Sent As Paper Document ☑

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the proposed rule change (limit 250 characters).

Proposed rule change by the Municipal Securities Rulemaking Board relating to the establishment of a continuing disclosure service of the Electronic Municipal Market Access system (EMMA)

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name: Ernesto Last Name: Lanza
Title: Senior Associate General Counsel
E-mail: elanza@msrb.org
Telephone: (703) 797-6720 Fax: (703) 797-6700

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 07/29/2008

By Ernesto A. Lanza
(Name)

Senior Associate General Counsel
(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Ernesto Lanza, elanza@msrb.org

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) The Municipal Securities Rulemaking Board (the "MSRB" or "Board") is hereby filing with the Securities and Exchange Commission (the "SEC" or "Commission") a proposed rule change to establish a continuing disclosure service (the "continuing disclosure service") of the MSRB's Electronic Municipal Market Access system ("EMMA"). The continuing disclosure service would receive electronic submissions of, and would make publicly available on the Internet, continuing disclosure documents and related information from issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12. The MSRB requests approval of the continuing disclosure service to commence operation on the later of January 1, 2009 or the effective date of any provisions of Rule 15c2-12 providing for the MSRB to serve as the sole central repository for all electronic continuing disclosure information provided pursuant to Rule 15c2-12.

The text of the rule change is set forth below, with underlining indicating additions:[1]

* * * * * * * * *

MUNICIPAL SECURITIES RULEMAKING BOARD
ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM – EMMA

EMMA CONTINUING DISCLOSURE SERVICE

The EMMA continuing disclosure service, established as a service of EMMA, receives submissions of continuing disclosure documents, together with related indexing information to allow the public to readily identify and access such documents, from issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12, at no charge to the submitter. Submissions may be made through a choice of an Internet-based electronic submission interface or electronic computer-to-computer streaming connections. The EMMA continuing disclosure service makes continuing disclosures available to the public, at no charge, on the Internet through the EMMA portal. The EMMA continuing disclosure service also makes continuing disclosures available by subscription for a fee.

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[1] The text of this proposed rule change will be available on the MSRB website at www.msrb.org/msrb1/sec.asp. In addition, if it were approved, the rule text for the continuing disclosure service of EMMA would be available on the MSRB website at www.msrb.org/msrb1/rulesandforms under the heading Information Facilities.

Submissions to the EMMA Continuing Disclosure Service

Designated Electronic Format for Documents. All documents submitted to the EMMA continuing disclosure service must be in portable document format (PDF), configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. For any document submitted to the EMMA continuing disclosure service on or after the first day of the first calendar quarter beginning at least nine months after Commission approval of the EMMA continuing disclosure service, such PDF documents shall be word-searchable (without regard to diagrams, images and other non-textual elements).

Method of Submission. Documents and related indexing information may be submitted to the EMMA continuing disclosure service either through a secure, password-protected, web-based electronic submitter interface or through a secure, authenticated computer-to-computer data connection with EMMA, at the election of the submitter. When making submissions using the web-based interface, related indexing information is entered into an on-line form or uploaded through an extensible markup language (XML) file, and documents are uploaded as PDF files. Computer-to-computer submissions utilize XML files for data and PDF files for documents. Appropriate schemas for on-line and computer-to-computer submissions are published on the EMMA portal and the MSRB website.

Timing of Submissions. The EMMA continuing disclosure service's submission processes are available for submissions throughout the day, subject to the right of the MSRB to make such processes unavailable between the hours of 3:00 am and 6:00 am each day, Eastern time, for required maintenance, upgrades or other purposes, or at other times as needed to ensure the integrity of EMMA and its systems. The MSRB shall provide advance notice on the EMMA portal of any planned periods of unavailability and shall endeavor to provide information on the EMMA portal as to the status of the submission interface during unanticipated periods of unavailability, to the extent technically feasible.

Document Types. The EMMA continuing disclosure service accepts submissions of (i) continuing disclosure documents as described in Rule 15c2-12, and (ii) other disclosure documents specified in continuing disclosure undertakings entered into consistent with Rule 15c2-12 but not specifically described in Rule 15c2-12.

Continuing disclosure documents consist of the following categories of documents, as set forth in Rule 15c2-12:

- annual financial information concerning issuers or other obligated persons as described in paragraph (b)(5)(i)(A) of Rule 15c2-12, or other financial information and operating data provided by issuers or other obligated persons as described in paragraph (d)(2)(ii)(A) of Rule 15c2-12;

- financial statements for issuers or other obligated persons if not included in the annual financial information as described in paragraph (b)(5)(i)(B) of Rule 15c2-12;

- notices of certain events, if material, as described in paragraph (b)(5)(i)(C) of Rule 15c2-12; and

- notices of failures to provide annual financial information on or before the date specified in the written undertaking as described in paragraph (b)(5)(i)(D) of Rule 15c2-12.

Information to be Submitted. In connection with documents submitted to the EMMA continuing disclosure service, the submitter shall provide, at the time of submission, information necessary to accurately identify:

- the category of information being provided (such as annual financial information; financial statements; material event notice, including designation of which specific type or types of events; notice of failure to make timely filing of annual financial information; or other information provided pursuant to a continuing disclosure undertaking);

- in the case of annual financial information, financial statements and other financial information or operating data, the period covered by such documents;

- the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

- the name(s) of the obligated person(s) (if other than the issuer) to which such document applies;

- the name and date of the document; and

- the identity of and contact information for the person submitting the document.

Submitters. Submissions to the EMMA continuing disclosure service may be made solely by authorized submitters using password-protected accounts on EMMA. Submissions may be made by the following classes of submitters:

- issuer, which may submit any documents with respect to such issuer's municipal securities;

- obligated person, which may submit any documents with respect to any municipal securities for which such obligated person is obligated; and

- designated agent, which may submit documents otherwise permitted to be submitted by the issuer or obligated person which has designated such agent, as provided below.

Issuers and obligated persons may designate agents to submit documents and related indexing information on their behalf, and may revoke the designation of any such agents, through the EMMA on-line account management utility. Such designated agents must register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person may act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, may revoke the authority of such party to act as a designated agent.

Public Availability of Continuing Disclosure Documents

EMMA Portal. Submissions made through the EMMA continuing disclosure service accepted during the hours of 8:30 am to 6:00 pm Eastern time on an MSRB business day are, in general, posted on the EMMA portal within 15 minutes of acceptance, although during peak traffic periods posting may occur within one hour of acceptance. Submissions outside of such hours often are posted within 15 minutes although some submissions outside of the MSRB's normal business hours may not be processed until the next business day. Continuing disclosure documents and related indexing information submitted to EMMA shall be made available to the public through the EMMA portal for the life of the related securities.

The EMMA portal provides on-line search functions utilizing available indexing information to allow users of the EMMA portal to readily identify and access documents and related information provided through the EMMA continuing disclosure service. Basic identifying information relating to specific municipal securities and/or specific issues accompanies the display of continuing disclosure documents.

The EMMA portal is available without charge to all members of the public. The MSRB has designed EMMA, including the EMMA portal, as a scalable system with sufficient current capacity and the ability to add further capacity to meet foreseeable usage levels based on reasonable estimates of expected usage, and the MSRB will monitor usage levels in order to assure continued capacity in the future.

The MSRB reserves the right to restrict or terminate malicious, illegal or abusive usage for such periods as may be necessary and appropriate to ensure continuous and efficient access to the EMMA portal and to maintain the integrity of EMMA and its operational components. The MSRB is not responsible for the content of the information or documents submitted by submitters displayed on the EMMA portal or distributed to subscribers of the EMMA continuing disclosure subscription service.

Subscriptions. Users wishing to obtain the continuing disclosure documents provided through the EMMA continuing disclosure service through a data stream rather than through viewing on and downloading from the EMMA portal may purchase a subscription for such documents from the MSRB. The EMMA continuing disclosure subscription service makes available to subscribers all continuing disclosure documents and related indexing information posted on the EMMA portal simultaneously with the posting thereof on the EMMA portal. The EMMA continuing disclosure service subscription is provided through a web service accessible by subscribers using various commercially available products. Data is streamed, depending on the subscriber's own software settings, using XML files with embedded, or accompanying transmissions of, PDF files of continuing disclosure documents. The MSRB makes the EMMA continuing disclosure subscription service available on an equal and non-discriminatory basis. In addition, the MSRB does not impose any limitations on or additional charges for redistribution of such documents by subscribers to their customers, clients or other end-users.

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(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was adopted by the MSRB on March 3, 2008. Questions concerning this filing may be directed to Ernesto A. Lanza, Senior Associate General Counsel, at (703) 797-6600.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) The proposed rule change would establish, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public of, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12.[2] As proposed, all continuing disclosure documents and related

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[2] EMMA was originally established, and began operation on March 31, 2008, as a complementary pilot facility of the MSRB's existing Official Statement and Advance Refunding Document (OS/ARD) system of the Municipal Securities Information Library (MSIL) system. *See* Securities Exchange Act Release No. 57577 (March 28, 2008), 73 FR 18022 (April 2, 2008) (File No. SR-MSRB-2007-06) (approving operation of the EMMA pilot to provide free public access to the MSIL system collection of official

(continued . . .)

information would be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter, and public access to the documents and information would be provided through the continuing disclosure service on the Internet (the "EMMA portal") at no charge as well as through a paid real-time data stream subscription service.[3]

Under Rule 15c2-12(b)(5), an underwriter for a primary offering of municipal securities subject to the rule currently is prohibited from underwriting the offering unless the underwriter has determined that the issuer or an obligated person[4] for whom financial information or operating data is presented in the final official statement has undertaken in writing to provide certain items of information to the marketplace.[5] Rule 15c2-12(b)(5) provides that such items include: (A) annual financial information concerning obligated persons;[6] (B) audited financial statements for obligated persons if available and if not included in the annual financial information; (C) notices of certain events, if material;[7] and (D) notices of failures to provide annual financial information on or before the date specified in the written undertaking.[8]

(. . . continued)
statements and advance refunding documents and to the MSRB's Real-Time Transaction Reporting System historical and real-time transaction price data) (the "Pilot Filing").

3 The pilot EMMA portal currently is accessible at emma.msrb.org.

4 Rule 15c2-12(f)(10) defines "obligated person" as any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities sold in a primary offering (other than providers of bond insurance, letters of credit, or other liquidity facilities).

5 *See also* Rule 15c2-12(d)(2).

6 Rule 15c2-12(f)(9) defines "annual financial information" as financial information or operating data, provided at least annually, of the type included in the final official statement with respect to an obligated person, or in the case where no financial information or operating data was provided in the final official statement with respect to such obligated person, of the type included in the final official statement with respect to those obligated persons that meet the objective criteria applied to select the persons for which financial information or operating data will be provided on an annual basis.

7 Under Rule 15c2-12(b)(5)(C), such events currently consist of principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax-exempt status of the

(continued . . .)

As proposed, the continuing disclosure service would accept submissions of (i) continuing disclosure documents as described in Rule 15c2-12, and (ii) other disclosure documents specified in continuing disclosure undertakings entered into consistent with Rule 15c2-12 but not specifically described in Rule 15c2-12. In connection with documents submitted to the continuing disclosure service, the submitter would provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submitters would be responsible for the accuracy and completeness of all documents and information submitted to EMMA.

The MSRB proposes that submissions to the continuing disclosure service be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, starting in the first calendar quarter beginning at least nine months after approval by the Commission of this filing, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search

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(. . . continued)
security; modifications to rights of security holders; bond calls; defeasances; release, substitution, or sale of property securing repayment of the securities; and rating changes.

[8] Under Rule 15c2-12(b)(5)(i), annual filings are to be sent to all existing nationally recognized municipal securities information repositories ("NRMSIRs") and any applicable state information depositories ("SIDs"), while material event notices may be sent to all existing NRMSIRs or to the MSRB, as well as to any SIDs. The MSRB, which currently operates CDINet to process and disseminate notices of material events submitted to the MSRB, previously petitioned the Commission to amend Rule 15c2-12 to remove the MSRB as a recipient of material event notices due to the very limited level of submissions received by the MSRB, constituting a negligible percentage of material event notices currently provided to the marketplace. *See* Letter from Diane G. Klinke, General Counsel, MSRB, to Jonathan G. Katz, Secretary, Commission, dated September 8, 2005. The Commission has published proposed amendments to Rule 15c2-12 to this effect. *See* Exchange Act Release No. 54863 (December 4, 2006), 71 Fed. Reg. 71109 (December 8, 2006). In light of this proposed rule change, the MSRB is considering at this time whether to withdraw its petition. In addition, the MSRB intends, on a future date, to file a proposed rule change with the Commission for permission to discontinue CDINet in view of the establishment of EMMA's continuing disclosure service.

or find function available in most standard software packages), provided that diagrams, images and other non-textual elements would not be required to be word-searchable due to current technical hurdles to uniformly producing such elements in word-searchable form without incurring undue costs. Although the MSRB would strongly encourage submitters to immediately begin making submissions as word-searchable PDF files (preferably as native PDF or PDF normal files, which generally produce smaller and more easily downloadable files as compared to scanned PDF files), implementation of this requirement would be deferred as noted above to provide issuers, obligated persons and their agents with sufficient time to adapt their processes and systems to provide for the routine creation or conversion of continuing disclosure documents as word-searchable PDF files.

All submissions to the continuing disclosure service pursuant to this proposal would be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) designated agents, which may be designated by issuers or obligated persons to make submissions on their behalf. Issuers and obligated persons would be permitted under the proposal to designate agents to submit documents and information on their behalf, and would be able to revoke the designation of any such agents, through the EMMA on-line account management utility. Such designated agents would be required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person would be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, would be able to revoke the authority of such party to act as a designated agent.

As proposed, electronic submissions of continuing disclosure documents through the continuing disclosure service would be made by issuers, obligated persons and their agents, at no charge, through secured, password-protected interfaces. Continuing disclosure submitters would have a choice of making submissions to the proposed continuing disclosure service either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA designed to receive submissions on a bulk or continuous basis.

All documents and information submitted through the continuing disclosure service pursuant to this proposed rule change would be available to the public for free through the EMMA portal on the Internet, with documents made available for the life of the securities as

PDF files for viewing, printing and downloading.[9] As proposed, the EMMA portal would provide on-line search functions to enable users to readily identify and access documents that relate to specific municipal securities based on a broad range of search parameters. In addition, the MSRB proposes that real-time data stream subscriptions to continuing disclosure documents submitted to EMMA would be made available for a fee.[10] The MSRB would not be responsible for the content of the information or documents submitted by submitters displayed on the EMMA portal or distributed to subscribers through the continuing disclosure subscription service.

The MSRB has designed EMMA, including the EMMA portal, as a scalable system with sufficient current capacity and the ability to add further capacity to meet foreseeable usage levels based on reasonable estimates of expected usage, and the MSRB would monitor usage levels in order to assure continued capacity in the future.

The MSRB may restrict or terminate malicious, illegal or abusive usage for such periods as may be necessary and appropriate to ensure continuous and efficient access to the EMMA portal and to maintain the integrity of EMMA and its operational components. Such usage may include, without limitation, usage intended to cause the EMMA portal to become inaccessible by other users, to cause the EMMA database or operational components to become corrupted or otherwise unusable, to alter the appearance or functionality of the EMMA portal, or to hyperlink to or otherwise use the EMMA portal or the information provided through the EMMA portal in furtherance of fraudulent or other illegal activities (such as, for example, creating any inference of MSRB complicity with or approval of such fraudulent or illegal activities or creating a false impression that information used to further such fraudulent or illegal activities has been obtained from the MSRB or EMMA). Measures taken by the MSRB in response to such unacceptable usage shall be designed to minimize any potentially negative impact on the ability to access the EMMA portal.

(b) The MSRB has proposed the rule change pursuant to section 15B(b)(2)(C) of the Exchange Act, which provides that MSRB's rules shall:

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9 The MSRB understands that software currently is generally available for free that permits users to save, view and print PDF files, as well as to conduct word searches in word-searchable PDF documents. The MSRB would provide links for downloading such software on the EMMA portal.

10 Fees for subscriptions to the continuing disclosure collection would be established in a separate filing to be submitted to the Commission pursuant to Section 19(b)(2) of the Exchange Act prior to the commencement of operation of the continuing disclosure service, if approved by the Commission.

> be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The continuing disclosure service would serve as an additional mechanism by which the MSRB works toward removing impediments to and helping to perfect the mechanisms of a free and open market in municipal securities. The continuing disclosure service would help make information useful for making investment decisions more easily available to all participants in the municipal securities market on an equal basis throughout the life of the securities without charge through a centralized, searchable Internet-based repository, thereby removing potential barriers to obtaining such information. Broad access to continuing disclosure documents through the continuing disclosure service should assist in preventing fraudulent and manipulative acts and practices by improving the opportunity for public investors to access material information about issuers and their securities.

Furthermore, the continuing disclosure service should reduce the effort necessary for issuers and obligated persons to comply with their continuing disclosure undertakings by making submissions to a single venue[11] using an electronic submission process, which should result in lower costs to issuers and savings to their citizens. Similarly, a single centralized and searchable venue for free public access to disclosure information should promote a more fair and efficient municipal securities market in which transactions are effected on the basis of material information available to all parties to such transactions, which should allow for fairer pricing of transactions based on a more complete understanding of the terms of the securities and the potential investment risks. Free access to this information – previously available in most cases only through paid subscription services or on a per-document fee basis – should reduce transaction costs for dealers and investors.

All of these factors serve to promote the statutory mandate of the MSRB to protect investors and the public interest.

4. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Documents and information provided through the continuing disclosure service would be

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[11] Some states may require issuers and/or obligated persons to submit disclosure information to state information depositories or other venues pursuant to state law.

available to all persons simultaneously. In addition to making the documents and information available for free on the EMMA portal to all members of the public, the MSRB would make such documents and information available by subscription on an equal and non-discriminatory basis without imposing restrictions on subscribers from, or imposing additional charges on subscribers for, re-disseminating such documents or otherwise offering value-added services and products based on such documents on terms determined by each subscriber.

The MSRB has considered carefully a commentator's concern regarding the MSRB's plans to develop EMMA,[12] as well as expressions of interest from private enterprises in entering this market.[13] One commentator on the Pilot Filing[14] stated that the MSRB's intention to combine continuing disclosures with primary market disclosures and trade price data "breaks new ground among regulatory bodies in terms of value-added content available to the public at no charge," arguing that the MSRB would "effectively take over the business of providing value-added content."[15] Another commentator on the Pilot Filing argued in favor of the creation of a "publicly accessible storage and dissemination system" for all filings in the municipal securities market, stating that the current municipal securities disclosure model "severely limits innovation and access" to disclosures and "locks up public documents in private hands while the proposed

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12 *See* comments from Peter J. Schmitt, CEO, DPC DATA Inc. ("DPC"), dated January 23, 2008.

13 *See* letter from Philip C. Moyer, CEO, EDGAR Online, Inc. ("EDGAR Online"), to Ernesto A. Lanza, Senior Associate General Counsel, MSRB, dated December 17, 2007. In addition, the MSRB has received several inquiries through the pilot EMMA portal's feedback (emma.msrb.org/AboutEMMA/Feedback.aspx) and contact (emma.msrb.org/AboutEMMA/ContactUs.aspx) web forms from members of the public seeking information on using EMMA documents and data, through the EMMA portal or subscription services, for the purposes of redissemination to their customers.

14 *See* footnote 2 *supra*.

15 *See* comments of DPC. DPC further stated, "There is precedent of other Self-Regulatory Organizations (SROs) offering such sophisticated value-added information to the market, but only on a fee basis." DPC also states that "the MSRB's sample pilot portal at www.msrb.org/msrb1/accessportal/SampleComprehensiveDisclosureDisplay.htm provides a glimpse of specific value-added features the MSRB intends to offer the public free of charge. Among these are nine-digit CUSIP searches, hyperlinks to bond issuers Web sites, an 'alerts' service to users of the portal, sophisticated document viewing options, links to other related documents in the portals disclosure archive, and subsequent event notifications that equate to custom research. These features and capabilities are well in excess of the system that the MSRB has pointed to as its model, the SEC's own EDGAR."

portal run by a public entity will encourage transparency in the municipal securities market and create a healthy ecosystem of information that will ultimately benefit both the investment community and the municipalities that seek access to public markets."[16]

The MSRB believes that the availability of continuing disclosure documents through the EMMA portal and the continuing disclosure subscription service, without the imposition of limitations on or additional charges for redistribution of such documents to customers, clients or other end-users of the subscriber,[17] would promote competition among private data vendors and other enterprises engaged in or interested in becoming engaged in information services by eliminating existing barriers to new entrants into the market for municipal securities information services. Private enterprises would be able to obtain a complete collection of all continuing disclosure documents submitted by issuers, obligated persons and their agents as contemplated by Exchange Act Rule 15c2-12 from a single source using a single consistent indexing method since all such documents would be submitted to the continuing disclosure service and would be indexed as received using a single indexing logic. Currently, parties wishing to obtain a complete collection of continuing disclosure documents must consider whether continuing disclosure documents have been uniformly provided to all existing nationally recognized municipal securities information repositories as contemplated under Rule 15c2-12 and, if not, might need to undertake the effort and expense of obtaining continuing disclosure documents from two or more of the existing sources, which may have differing terms of use that may limit the ability to redisseminate such documents.

Furthermore, the availability of all continuing disclosure documents in a defined electronic format in one venue should make document handling, storage and dissemination more efficient than under the current situation in which documents may exist in paper form as well as in various different electronic formats. The existence of a single consistent indexing logic to be used by the continuing disclosure service, and the inclusion of key indexing information on the

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16 *See* letter from EDGAR Online. EDGAR Online further stated, "In spite of a great deal of work by the Municipal Issuers on their disclosures – a small group of companies control access for the entire market to the documents that are supposed to be public.… The rigid control of public information dissuades other information providers from trying to enter or innovate for this market. This means that there are few people working on improving ease of use, depth of analysis, thoroughness of information or more effective means of delivery…. The process of managing these documents consumes most of the resources of these few information providers and the time of investors. As a result, the information contained in these documents – risks and opportunities – are usually lost because there are few sources of good comparability and data."

17 The MSRB notes that subscribers may be subject to proprietary rights of third parties in information provided by such third parties that is made available through the subscription.

EMMA portal and in the continuing disclosure subscription service, would relieve the burden that private information vendors would otherwise have of creating such an index. The standardized continuing disclosure document collection and indexing information provided through the continuing disclosure service would be available equally to existing information vendors and parties seeking to enter the market, thereby promoting competition among all such private parties in a non-discriminatory manner with respect to the value-added services they may wish to offer based on the continuing disclosure document collection. Such parties would likely bear some initial burden of ensuring that their infrastructure and facilities are capable of receiving and processing the information provided through the continuing disclosure service, but the MSRB believes that such parties would realize savings from the efficiencies described above.

Thus, although the MSRB recognizes that the continuing disclosure service might require private enterprises to modify some aspects of the way they undertake their current business activities, the MSRB believes that the continuing disclosure service would promote, rather than hinder, further competition, growth and innovation in this area. The MSRB further believes that the operation by the MSRB of the continuing disclosure service would not result in the MSRB taking over the business of providing value-added content but instead serve as a basis on which private enterprises could themselves concentrate more of their resources on developing and marketing value-added services. The MSRB believes that much of the impact of the proposed rule change on commercial enterprises would result from the increased competition in the marketplace resulting from the entry of additional commercial enterprises in competition with such existing market participants with respect to value-added services, rather than from the operation of the continuing disclosure service as a source of the raw documents and related information to the public. The MSRB believes that the benefits realized by the investing public from the broader and easier availability of disclosure information about municipal securities that would be provided through the continuing disclosure service would justify any potentially negative impact on existing enterprises from the operation of EMMA.

5. Self-Regulatory Organization's Statement on Comments Received on the Proposed Rule Change by Members, Participants, or Others

In a notice published by the MSRB on January 31, 2008, the MSRB described its plan for implementing a continuing disclosure service that would be integrated into other services to be offered through EMMA (the "2008 Notice").[18] In particular, the MSRB stated its plan to institute the continuing disclosure service to accept submissions of continuing disclosure information in a designated electronic format directly from issuers, obligated persons and their designated agents acting on their behalf. EMMA's continuing disclosure service would be designed to accept such electronic submissions, including basic indexing information, either through a web-based interface or by computer-to-computer upload or data stream. In addition to making continuing disclosures available through the EMMA portal, the MSRB would make such

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[18] *See* MSRB Notice 2008-05 (January 31, 2008).

disclosures available through a paid real-time data stream subscription for re-dissemination or other use by subscribers. In publishing the 2008 Notice, the MSRB sought comment on certain basic elements relating to the incorporation into EMMA of continuing disclosure information provided by issuers and obligated persons under Rule 15c2-12, as discussed below. The 2008 Notice had been published by the MSRB following a series of other notices for comment (the "Prior Notices")[19] and the filing with the Commission of the Pilot Filing in connection with the establishment of the MSRB's proposed centralized disclosure utility.

Several commentators on the Prior Notices discussed issues relating to continuing disclosure. These commentators stated that continuing disclosures should be made available on the same platform as other disclosures,[20] with some commentators supporting the MSRB's willingness to establish a comprehensive disclosure system that included continuing disclosure.[21] The MSRB's plan to establish the continuing disclosure service as a component of EMMA would ensure that continuing disclosure documents would be made available to the public through the EMMA portal.

A commentator on the Pilot Filing suggested that, if the Commission were to make the MSRB the sole secondary market disclosure filing venue for issuers and obligated persons, the Commission would move "closer to the Tower Amendment danger zone."[22] As noted in section 3(b) of this filing, the MSRB believes that the continuing disclosure service is consistent with the MSRB's statutory mandate under Section 15B of the Exchange Act. In particular, the MSRB

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19 *See* MSRB Notice 2006-19 (July 27, 2006); MSRB Notice 2007-5 (January 25, 2007); MSRB Notice 2007-33 (November 15, 2007). Only those comments of the commentators on the Prior Notice and the Pilot Filing relating to the continuing disclosure service are discussed in this filing.

20 *See* letters from Leslie Norwood, Vice President and Assistant General Counsel, Bond Market Association (now known as Securities Industry and Financial Markets Association, or "SIFMA"), to Mr. Lanza, dated September 15, 2006; Thomas Sargant, President, Regional Municipal Operations Association, to Mr. Lanza, dated September 27, 2006; Gary P. Machak, Chairman, Municipal Advisory Council of Texas, to Mr. Lanza, dated September 14, 2006; Elizabeth R. Krentzman, General Counsel, Investment Company Institute ("ICI"), to Mr. Lanza, dated September 14, 2006; Ruth Brod, Consultant, TRB Associates, to Mr. Lanza, dated September 14, 2006; Terry L. Atkinson, Managing Director, UBS Securities LLC, to Mr. Lanza, dated September 15, 2006.

21 *See* letters from Ms. Norwood, Managing Director and Associate General Counsel, SIFMA, to Mr. Lanza, dated December 14, 2007; S. Lauren Heyne, Chief Compliance Officer, R.W. Smith & Associates, Inc., to Mr. Lanza, dated December 17, 2007.

22 *See* comments of DPC. *See also* footnote 12 *supra*.

believes that the operation of the continuing disclosure service would in no way violate the restrictions placed on the MSRB's activities by the so-called Tower Amendment.[23] The MSRB believes that the proposed continuing disclosure service is consistent with the MSRB's Exchange Act mandate to adopt rules that, among other things, protect investors and the public interest by providing a free centralized source of information for retail investors.

As discussed in greater detail in section 4 of this filing, this commentator also stated that the MSRB's intention to combine continuing disclosures with primary market disclosures and trade price data "breaks new ground among regulatory bodies in terms of value-added content available to the public at no charge," expressing the view that the MSRB would "effectively take over the business of providing value-added content."[24] Another commentator on the Pilot Filing argued in favor of the creation of a "publicly accessible storage and dissemination system" for all filings in the municipal securities market, stating that the current municipal securities disclosure model "severely limits innovation and access" to disclosures and "locks up public documents in private hands while the proposed portal run by a public entity will encourage transparency in the municipal securities market and create a healthy ecosystem of information that will ultimately benefit both the investment community and the municipalities that seek access to public markets."[25]

As discussed in greater detail in section 4 of this filing, the MSRB believes that the operation by the MSRB of the continuing disclosure service would not result in the MSRB taking over the business of providing value-added content but instead serve as a basis on which private enterprises could themselves concentrate more of their resources on developing and marketing value-added services. The MSRB believes that much of the impact of the proposed rule change on commercial enterprises would result from the increased competition in the marketplace resulting from the entry of additional commercial enterprises in competition with such existing market participants with respect to value-added services, rather than from the operation of continuing disclosure service as a source of the raw documents and related information to the public. Although the MSRB recognizes that the continuing disclosure service might require private enterprises to modify some aspects of the way they undertake their current business activities, the MSRB believes that the continuing disclosure service would promote, rather than hinder, further competition, growth and innovation in this area.

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23 *See* Exchange Act Section 15B(d).

24 *See* comments of DPC.

25 *See* letter from EDGAR Online. *See also* footnote 13 *supra*.

Most commentators on the 2008 Notice were supportive of the MSRB's decision to begin planning for the continuing disclosure service,[26] although some commentators would not commit fully to support this process until reviewing possible Commission amendments to Rule 15c2-12 necessary for the development of the MSRB's continuing disclosure service, as well as specific details relating to the implementation by the MSRB of the proposed continuing disclosure service.[27] Commentators representative of issuers encouraged the MSRB to work with the issuer community in developing the submission process.[28] The MSRB has participated in a series of meetings and demonstrations with issuer organizations to discuss the development of EMMA, including the continuing disclosure service. The MSRB would continue to work with the issuer community, as well as with the other relevant segments of the municipal securities marketplace, as development of the continuing disclosure service proceeds. In addition, the MSRB intends to work with issuer organizations to assist issuers in adapting to the process for submitting continuing disclosure documents to EMMA, including coordinated efforts targeted at issuers making submissions under continuing disclosure undertakings entered into prior to the

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[26] *See* letters from Rob Yolland, Chairman, National Federation of Municipal Analysts, to Mr. Lanza, dated March 10, 2008; Kathleen A. Aho, President, National Association of Independent Public Finance Advisors ("NAIPFA"), to Lynnette Hotchkiss, Executive Director, MSRB, dated March 10, 2008; Robert Donovan, Executive Director, Rhode Island Health and Educational Building Corporation, Stephen M. Fillebrown, Director of Research, Investor Relations and Compliance, NJ Health Care Facilities Financing Authority, and Charles A. Samuels and Meghan B. Burke, Mintz Levin Cohn Ferris Glovsky and Popeo PC, on behalf of National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA"), to Mr. Lanza, dated March 3, 2008; Cristeena G. Naser, Senior Counsel, American Bankers Association, to Mr. Lanza, dated February 28, 2008; Rick Farrell, Executive Director, Council of Infrastructure Financing Authorities ("CIFA"), to Mr. Lanza, dated February 25, 2008; Jack Addams, Managing Director, First Southwest Company ("First Southwest"), to Mr. Lanza, dated February 25, 2008; Jeffrey L. Esser, Executive Director and CEO, Government Finance Officers Association ("GFOA"), Vernon L. Larson, President, National Association of State Auditors, Comptrollers and Treasurers ("NASACT"), & South Dakota State Treasurer, and Lynn Jenkins, President, National Association of State Treasurers ("NAST"), & Kansas State Treasurer, jointly, to Mr. Lanza, dated February 25, 2008; Heather Traeger, Assistant Counsel, ICI, to Mr. Lanza, dated February 25, 2008; Ms. Norwood, SIFMA, to Mr. Lanza, dated February 25, 2008.

[27] *See* letters from CIFA; GFOA, NASACT and NAST; NAHEFFA; NAIPFA. GFOA, NASACT and NAST also stated, and NAHEFFA agreed, that "Rule 15c2-12 should only be changed to allow for electronic submission of disclosure documents to one central location, and that no other changes to the Rule should be made."

[28] *See* letters from CIFA; GFOA, NASACT and NAST; NAHEFFA.

continuing disclosure service becoming operational, with a view to ensuring that means for making submissions of continuing disclosure documents through EMMA are available for issuers that have not yet fully adapted to EMMA's all-electronic submission process.

One commentator asked whether periodic filings other than submissions of annual financial information, such as quarterly or monthly financial results, would be accepted.[29] A second commentator sought clarification on whether continuing disclosure information for offerings sold prior to the launch of the continuing disclosure service would be accepted and made publicly available.[30] Another commentator asked whether historical documents would be included.[31]

The MSRB understands that issuers and obligated persons have often sought to disseminate to the marketplace items of continuing disclosure that are in addition to the specific items of continuing disclosure described in Rule 15c2-12. Such additional items may include, but are not limited to, quarterly or monthly financial information and notices of other events. In some cases such additional items of disclosure may be specified under a continuing disclosure undertaking entered into consistent with Rule 15c2-12. The continuing disclosure documents to be made publicly available through the EMMA portal would consist of the specific items of continuing disclosure described in Rule 15c2-12 and any additional disclosure items as specifically set forth in a continuing disclosure undertaking.[32] Continuing disclosure documents would be made available for any issue for which such documents have been submitted to EMMA, regardless of whether the continuing disclosure undertaking was entered into before or after the establishment of the continuing disclosure service. EMMA would make available only those continuing disclosures submitted to EMMA on or after the launch of the continuing disclosure service.[33]

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29 *See* letter from NAHEFFA.

30 *See* letter from J. Foster Clark, President, National Association of Bond Lawyers ("NABL"), to Mr. Lanza, dated February 25, 2008.

31 *See* letter from First Southwest.

32 The MSRB supports the dissemination of additional continuing disclosures beyond the baseline established by Rule 15c2-12 and may consider in the future the possible expansion of the continuing disclosure service to include additional voluntary secondary market disclosures, which would be the subject of future filings with the Commission.

33 While EMMA would not include historical documents, the continuing disclosure documents that would be received by EMMA through the continuing disclosure service would constitute the most up-to-date disclosures made by or on behalf of submitting issuers and obligated persons applicable to their securities.

One commentator asked whether all continuing disclosure documents and information would be available for free on the EMMA portal or whether some portions would only be available to paid subscribers.[34] Other commentators sought clarification on the timing of information that would be provided through a subscription as compared to the time of posting the information on the EMMA portal.[35] As noted in this filing, all continuing disclosures received by the MSRB would be accessible for free on the EMMA portal and would also be available, simultaneously with posting on the EMMA portal, through a data-stream subscription for a fee. The subscription would not provide any documents or information in addition to what is made public through the EMMA website.

A commentator asked whether special software or other arrangements would be necessary for issuers, obligated persons and their agents to make submissions of continuing disclosure documents. This commentator also asked whether submitters would be provided with electronic confirmation that disclosure materials were received by the continuing disclosure service.[36] Continuing disclosure documents may be converted from other electronic formats to PDF using various free or commercially available software programs or plug-ins. In those cases where the original continuing disclosure document exists solely in paper format (which the MSRB believes is not common and should become increasingly rare), submitters may use the services of widely available commercial copying and document handling enterprises or may use existing or newly acquired scanning hardware. The web-based data-entry process that would be established for on-line submissions to the continuing disclosure service would require no special software other than a web browser. Similarly, on-line uploads of data files in extensible markup language (XML) do not require any special software but would require programming to create XML files and to provide a process for accurately populating the XML files with necessary data. Computer-to-computer connections, an optional means for submitting continuing disclosures expected to be used primarily by agents acting on behalf of multiple issuers and/or obligated persons, would require submitters to use commercially available products or to undertake programming (at the election of the submitter) to interface with an EMMA web service. All submission methods would provide appropriate feedback to submitters for error correction and submission confirmation purposes, which may require some programming by submitters to ensure they realize the full benefit of such feedback.

The 2008 Notice sought comment on whether the continuing disclosure service should accept continuing disclosure submissions from a third party with respect to an issuer's securities only if the issuer has affirmatively designated that such third party is authorized to act as its agent, or whether submissions from any registered EMMA user should be accepted on behalf of

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34 *See* letter from NABL.

35 *See* letters from NAHEFFA; First Southwest.

36 *See* letter from NAHEFFA.

an issuer unless the issuer has affirmatively indicated that it wishes to take control over which parties can submit on its behalf.

Three commentators jointly stated that "third parties should be able to submit on behalf of an issuer if and only if the issuer has affirmatively designated the third party agent to do so [emphasis in original]."[37] Two other commentators agreed,[38] while another disagreed,[39] stating that it was "concerned that if EMMA does not accept continuing disclosure from a third party, unless an issuer specifically authorizes the third party to EMMA, there will be cases of issuer inaction preventing timely disclosure." This commentator stated that, to avoid potential delays in the dissemination of disclosure to the marketplace caused by a requirement that the issuer authorize an agent to act on its behalf, it believed that "the current practice set forth in the standard Municipal Secondary Market Disclosure Information Cover Sheet should be continued, which requires the person/entity submitting information to represent affirmatively that the person is authorized to submit the information."[40]

The MSRB believes that the ultimate authority to determine who may submit documents on behalf of the issuer or obligated person should lie with such issuer or obligated person and, as a result, the MSRB is proposing to provide that issuers and obligated persons may designate agents to submit documents and information on their behalf, and may revoke such designation, through the EMMA on-line account management utility, and such designated agents must register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents or other disclosure documents specified pursuant to such continuing disclosure undertaking may also act as a designated agent for such issuer or obligated person, without the necessity of the issuer or obligated person making a designation through the EMMA on-line account management utility, upon such party certifying through the EMMA on-line account management utility as to its authority to make submissions on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, may revoke such authority to act as a designated agent.

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37 *See* letter from GFOA, NASACT and NAST.

38 *See* letters from NAHEFFA; First Southwest.

39 *See* second letter from SIFMA.

40 *See* second letter from SIFMA. The Cover Sheet referenced in the comment is a voluntary form created by industry participants for use in connection with submissions of continuing disclosures.

6. Extension of Time Period for Commission Action

The MSRB consents to an extension of the time period specified in Section 19(b)(2) of the Exchange Act to 120 days after the date of publication of notice of filing of this proposed rule change.

7 Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

1. Federal Register Notice.

2. Notices requesting comment and comment letters.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MSRB-2008-05)

Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to the Establishment of a Continuing Disclosure Service of the Electronic Municipal Market Access system (EMMA)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on July 29, 2008 the Municipal Securities Rulemaking Board ("MSRB" or "Board") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is filing with the Commission a proposed rule change to establish a continuing disclosure service (the "continuing disclosure service") of the MSRB's Electronic Municipal Market Access system ("EMMA"). The continuing disclosure service would receive electronic submissions of, and would make publicly available on the Internet, continuing disclosure documents and related information from issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12. The MSRB requests approval of the

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

continuing disclosure service to commence operation on the later of January 1, 2009 or the effective date of any provisions of Rule 15c2-12 providing for the MSRB to serve as the sole central repository for all electronic continuing disclosure information provided pursuant to Rule 15c2-12.

The text of the proposed rule change is available on the MSRB's web site at www.msrb.org/msrb1/sec.asp, at the MSRB's principal office, and at the Commission's Public Reference Room. If approved, the rule text for the continuing disclosure service of EMMA would be available on the MSRB website at www.msrb.org/msrb1/rulesandforms under the heading Information Facilities.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would establish, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public of, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered

into consistent with Exchange Act Rule 15c2-12.[3] As proposed, all continuing disclosure documents and related information would be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter, and public access to the documents and information would be provided through the continuing disclosure service on the Internet (the "EMMA portal") at no charge as well as through a paid real-time data stream subscription service.[4]

Under Rule 15c2-12(b)(5), an underwriter for a primary offering of municipal securities subject to the rule currently is prohibited from underwriting the offering unless the underwriter has determined that the issuer or an obligated person[5] for whom financial information or operating data is presented in the final official statement has undertaken in writing to provide certain items of information to the marketplace.[6] Rule 15c2-12(b)(5) provides that such items include: (A) annual financial information concerning obligated

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3 EMMA was originally established, and began operation on March 31, 2008, as a complementary pilot facility of the MSRB's existing Official Statement and Advance Refunding Document (OS/ARD) system of the Municipal Securities Information Library (MSIL) system. *See* Securities Exchange Act Release No. 57577 (March 28, 2008), 73 FR 18022 (April 2, 2008) (File No. SR-MSRB-2007-06) (approving operation of the EMMA pilot to provide free public access to the MSIL system collection of official statements and advance refunding documents and to the MSRB's Real-Time Transaction Reporting System historical and real-time transaction price data) (the "Pilot Filing").

4 The pilot EMMA portal currently is accessible at emma.msrb.org.

5 Rule 15c2-12(f)(10) defines "obligated person" as any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities sold in a primary offering (other than providers of bond insurance, letters of credit, or other liquidity facilities).

6 *See also* Rule 15c2-12(d)(2).

persons;[7] (B) audited financial statements for obligated persons if available and if not included in the annual financial information; (C) notices of certain events, if material;[8] and (D) notices of failures to provide annual financial information on or before the date specified in the written undertaking.[9]

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7 Rule 15c2-12(f)(9) defines "annual financial information" as financial information or operating data, provided at least annually, of the type included in the final official statement with respect to an obligated person, or in the case where no financial information or operating data was provided in the final official statement with respect to such obligated person, of the type included in the final official statement with respect to those obligated persons that meet the objective criteria applied to select the persons for which financial information or operating data will be provided on an annual basis.

8 Under Rule 15c2-12(b)(5)(C), such events currently consist of principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax-exempt status of the security; modifications to rights of security holders; bond calls; defeasances; release, substitution, or sale of property securing repayment of the securities; and rating changes.

9 Under Rule 15c2-12(b)(5)(i), annual filings are to be sent to all existing nationally recognized municipal securities information repositories ("NRMSIRs") and any applicable state information depositories ("SIDs"), while material event notices may be sent to all existing NRMSIRs or to the MSRB, as well as to any SIDs. The MSRB, which currently operates CDINet to process and disseminate notices of material events submitted to the MSRB, previously petitioned the Commission to amend Rule 15c2-12 to remove the MSRB as a recipient of material event notices due to the very limited level of submissions received by the MSRB, constituting a negligible percentage of material event notices currently provided to the marketplace. *See* Letter from Diane G. Klinke, General Counsel, MSRB, to Jonathan G. Katz, Secretary, Commission, dated September 8, 2005. The Commission has published proposed amendments to Rule 15c2-12 to this effect. *See* Exchange Act Release No. 54863 (December 4, 2006), 71 Fed. Reg. 71109 (December 8, 2006). In light of this proposed rule change, the MSRB is considering at this time whether to withdraw its petition. In addition, the MSRB intends, on a future date, to file a proposed rule change with the Commission for permission to discontinue CDINet in view of the establishment of EMMA's continuing disclosure service.

As proposed, the continuing disclosure service would accept submissions of (i) continuing disclosure documents as described in Rule 15c2-12, and (ii) other disclosure documents specified in continuing disclosure undertakings entered into consistent with Rule 15c2-12 but not specifically described in Rule 15c2-12. In connection with documents submitted to the continuing disclosure service, the submitter would provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter. Submitters would be responsible for the accuracy and completeness of all documents and information submitted to EMMA.

The MSRB proposes that submissions to the continuing disclosure service be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, starting in the first calendar quarter beginning at least nine months after approval by the Commission of this filing, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function available in most standard software packages), provided that diagrams, images and other non-textual

elements would not be required to be word-searchable due to current technical hurdles to uniformly producing such elements in word-searchable form without incurring undue costs. Although the MSRB would strongly encourage submitters to immediately begin making submissions as word-searchable PDF files (preferably as native PDF or PDF normal files, which generally produce smaller and more easily downloadable files as compared to scanned PDF files), implementation of this requirement would be deferred as noted above to provide issuers, obligated persons and their agents with sufficient time to adapt their processes and systems to provide for the routine creation or conversion of continuing disclosure documents as word-searchable PDF files.

All submissions to the continuing disclosure service pursuant to this proposal would be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) designated agents, which may be designated by issuers or obligated persons to make submissions on their behalf. Issuers and obligated persons would be permitted under the proposal to designate agents to submit documents and information on their behalf, and would be able to revoke the designation of any such agents, through the EMMA on-line account management utility. Such designated agents would be required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person would be permitted to act as a designated agent for such issuer or

obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, would be able to revoke the authority of such party to act as a designated agent.

As proposed, electronic submissions of continuing disclosure documents through the continuing disclosure service would be made by issuers, obligated persons and their agents, at no charge, through secured, password-protected interfaces. Continuing disclosure submitters would have a choice of making submissions to the proposed continuing disclosure service either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA designed to receive submissions on a bulk or continuous basis.

All documents and information submitted through the continuing disclosure service pursuant to this proposed rule change would be available to the public for free through the EMMA portal on the Internet, with documents made available for the life of the securities as PDF files for viewing, printing and downloading.[10] As proposed, the EMMA portal would provide on-line search functions to enable users to readily identify and access documents that relate to specific municipal securities based on a broad range of search parameters. In addition, the MSRB proposes that real-time data stream

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[10] The MSRB understands that software currently is generally available for free that permits users to save, view and print PDF files, as well as to conduct word searches in word-searchable PDF documents. The MSRB would provide links for downloading such software on the EMMA portal.

subscriptions to continuing disclosure documents submitted to EMMA would be made available for a fee.[11] The MSRB would not be responsible for the content of the information or documents submitted by submitters displayed on the EMMA portal or distributed to subscribers through the continuing disclosure subscription service.

The MSRB has designed EMMA, including the EMMA portal, as a scalable system with sufficient current capacity and the ability to add further capacity to meet foreseeable usage levels based on reasonable estimates of expected usage, and the MSRB would monitor usage levels in order to assure continued capacity in the future.

The MSRB may restrict or terminate malicious, illegal or abusive usage for such periods as may be necessary and appropriate to ensure continuous and efficient access to the EMMA portal and to maintain the integrity of EMMA and its operational components. Such usage may include, without limitation, usage intended to cause the EMMA portal to become inaccessible by other users, to cause the EMMA database or operational components to become corrupted or otherwise unusable, to alter the appearance or functionality of the EMMA portal, or to hyperlink to or otherwise use the EMMA portal or the information provided through the EMMA portal in furtherance of fraudulent or other illegal activities (such as, for example, creating any inference of MSRB complicity with or approval of such fraudulent or illegal activities or creating a false impression that information used to further such fraudulent or illegal activities has been obtained from the MSRB or EMMA). Measures taken by the MSRB in response to

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[11] Fees for subscriptions to the continuing disclosure collection would be established in a separate filing to be submitted to the Commission pursuant to Section 19(b)(2) of the Exchange Act prior to the commencement of operation of the continuing disclosure service, if approved by the Commission.

such unacceptable usage shall be designed to minimize any potentially negative impact on the ability to access the EMMA portal.

2. Statutory Basis

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Exchange Act, which provides that MSRB's rules shall:

> be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The continuing disclosure service would serve as an additional mechanism by which the MSRB works toward removing impediments to and helping to perfect the mechanisms of a free and open market in municipal securities. The continuing disclosure service would help make information useful for making investment decisions more easily available to all participants in the municipal securities market on an equal basis throughout the life of the securities without charge through a centralized, searchable Internet-based repository, thereby removing potential barriers to obtaining such information. Broad access to continuing disclosure documents through the continuing disclosure service should assist in preventing fraudulent and manipulative acts and practices by improving the opportunity for public investors to access material information about issuers and their securities.

Furthermore, the continuing disclosure service should reduce the effort necessary for issuers and obligated persons to comply with their continuing disclosure undertakings

by making submissions to a single venue[12] using an electronic submission process, which should result in lower costs to issuers and savings to their citizens. Similarly, a single centralized and searchable venue for free public access to disclosure information should promote a more fair and efficient municipal securities market in which transactions are effected on the basis of material information available to all parties to such transactions, which should allow for fairer pricing of transactions based on a more complete understanding of the terms of the securities and the potential investment risks. Free access to this information – previously available in most cases only through paid subscription services or on a per-document fee basis – should reduce transaction costs for dealers and investors.

All of these factors serve to promote the statutory mandate of the MSRB to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Documents and information provided through the continuing disclosure service would be available to all persons simultaneously. In addition to making the documents and information available for free on the EMMA portal to all members of the public, the MSRB would make such documents and information available by subscription on an equal and non-discriminatory basis without imposing restrictions on subscribers from, or imposing additional charges on subscribers for, re-disseminating such

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12 Some states may require issuers and/or obligated persons to submit disclosure information to state information depositories or other venues pursuant to state law.

documents or otherwise offering value-added services and products based on such documents on terms determined by each subscriber.

The MSRB has considered carefully a commentator's concern regarding the MSRB's plans to develop EMMA,[13] as well as expressions of interest from private enterprises in entering this market.[14] One commentator on the Pilot Filing[15] stated that the MSRB's intention to combine continuing disclosures with primary market disclosures and trade price data "breaks new ground among regulatory bodies in terms of value-added content available to the public at no charge," arguing that the MSRB would "effectively take over the business of providing value-added content."[16] Another commentator on the Pilot Filing argued in favor of the creation of a "publicly accessible

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13 *See* comments from Peter J. Schmitt, CEO, DPC DATA Inc. ("DPC"), dated January 23, 2008.

14 *See* letter from Philip C. Moyer, CEO, EDGAR Online, Inc. ("EDGAR Online"), to Ernesto A. Lanza, Senior Associate General Counsel, MSRB, dated December 17, 2007. In addition, the MSRB has received several inquiries through the pilot EMMA portal's feedback (emma.msrb.org/AboutEMMA/Feedback.aspx) and contact (emma.msrb.org/AboutEMMA/ContactUs.aspx) web forms from members of the public seeking information on using EMMA documents and data, through the EMMA portal or subscription services, for the purposes of redissemination to their customers.

15 *See* footnote 2 *supra*.

16 *See* comments of DPC. DPC further stated, "There is precedent of other Self-Regulatory Organizations (SROs) offering such sophisticated value-added information to the market, but only on a fee basis." DPC also states that "the MSRB's sample pilot portal at www.msrb.org/msrb1/accessportal/SampleComprehensiveDisclosureDisplay.htm provides a glimpse of specific value-added features the MSRB intends to offer the public free of charge. Among these are nine-digit CUSIP searches, hyperlinks to bond issuers Web sites, an 'alerts' service to users of the portal, sophisticated document viewing options, links to other related documents in the portals disclosure archive, and subsequent event notifications that equate to custom research. These features and capabilities are well in excess of the system that the MSRB has pointed to as its model, the SEC's own EDGAR."

storage and dissemination system" for all filings in the municipal securities market, stating that the current municipal securities disclosure model "severely limits innovation and access" to disclosures and "locks up public documents in private hands while the proposed portal run by a public entity will encourage transparency in the municipal securities market and create a healthy ecosystem of information that will ultimately benefit both the investment community and the municipalities that seek access to public markets."[17]

The MSRB believes that the availability of continuing disclosure documents through the EMMA portal and the continuing disclosure subscription service, without the imposition of limitations on or additional charges for redistribution of such documents to customers, clients or other end-users of the subscriber,[18] would promote competition among private data vendors and other enterprises engaged in or interested in becoming engaged in information services by eliminating existing barriers to new entrants into the market for municipal securities information services. Private enterprises would be able to obtain a complete collection of all continuing disclosure documents submitted by issuers,

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17 *See* letter from EDGAR Online. EDGAR Online further stated, "In spite of a great deal of work by the Municipal Issuers on their disclosures – a small group of companies control access for the entire market to the documents that are supposed to be public.… The rigid control of public information dissuades other information providers from trying to enter or innovate for this market. This means that there are few people working on improving ease of use, depth of analysis, thoroughness of information or more effective means of delivery…. The process of managing these documents consumes most of the resources of these few information providers and the time of investors. As a result, the information contained in these documents – risks and opportunities – are usually lost because there are few sources of good comparability and data."

18 The MSRB notes that subscribers may be subject to proprietary rights of third parties in information provided by such third parties that is made available through the subscription.

obligated persons and their agents as contemplated by Exchange Act Rule 15c2-12 from a single source using a single consistent indexing method since all such documents would be submitted to the continuing disclosure service and would be indexed as received using a single indexing logic. Currently, parties wishing to obtain a complete collection of continuing disclosure documents must consider whether continuing disclosure documents have been uniformly provided to all existing nationally recognized municipal securities information repositories as contemplated under Rule 15c2-12 and, if not, might need to undertake the effort and expense of obtaining continuing disclosure documents from two or more of the existing sources, which may have differing terms of use that may limit the ability to redisseminate such documents.

Furthermore, the availability of all continuing disclosure documents in a defined electronic format in one venue should make document handling, storage and dissemination more efficient than under the current situation in which documents may exist in paper form as well as in various different electronic formats. The existence of a single consistent indexing logic to be used by the continuing disclosure service, and the inclusion of key indexing information on the EMMA portal and in the continuing disclosure subscription service, would relieve the burden that private information vendors would otherwise have of creating such an index. The standardized continuing disclosure document collection and indexing information provided through the continuing disclosure service would be available equally to existing information vendors and parties seeking to enter the market, thereby promoting competition among all such private parties in a non-discriminatory manner with respect to the value-added services they may wish to offer based on the continuing disclosure document collection. Such parties would

likely bear some initial burden of ensuring that their infrastructure and facilities are capable of receiving and processing the information provided through the continuing disclosure service, but the MSRB believes that such parties would realize savings from the efficiencies described above.

Thus, although the MSRB recognizes that the continuing disclosure service might require private enterprises to modify some aspects of the way they undertake their current business activities, the MSRB believes that the continuing disclosure service would promote, rather than hinder, further competition, growth and innovation in this area. The MSRB further believes that the operation by the MSRB of the continuing disclosure service would not result in the MSRB taking over the business of providing value-added content but instead serve as a basis on which private enterprises could themselves concentrate more of their resources on developing and marketing value-added services. The MSRB believes that much of the impact of the proposed rule change on commercial enterprises would result from the increased competition in the marketplace resulting from the entry of additional commercial enterprises in competition with such existing market participants with respect to value-added services, rather than from the operation of the continuing disclosure service as a source of the raw documents and related information to the public. The MSRB believes that the benefits realized by the investing public from the broader and easier availability of disclosure information about municipal securities that would be provided through the continuing disclosure service would justify any potentially negative impact on existing enterprises from the operation of EMMA.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

In a notice published by the MSRB on January 31, 2008, the MSRB described its plan for implementing a continuing disclosure service that would be integrated into other services to be offered through EMMA (the "2008 Notice").[19] In particular, the MSRB stated its plan to institute the continuing disclosure service to accept submissions of continuing disclosure information in a designated electronic format directly from issuers, obligated persons and their designated agents acting on their behalf. EMMA's continuing disclosure service would be designed to accept such electronic submissions, including basic indexing information, either through a web-based interface or by computer-to-computer upload or data stream. In addition to making continuing disclosures available through the EMMA portal, the MSRB would make such disclosures available through a paid real-time data stream subscription for re-dissemination or other use by subscribers. In publishing the 2008 Notice, the MSRB sought comment on certain basic elements relating to the incorporation into EMMA of continuing disclosure information provided by issuers and obligated persons under Rule 15c2-12, as discussed below. The 2008 Notice had been published by the MSRB following a series of other notices for comment (the "Prior Notices")[20] and the filing with the Commission of the Pilot Filing in connection with the establishment of the MSRB's proposed centralized disclosure utility.

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19 *See* MSRB Notice 2008-05 (January 31, 2008).

20 *See* MSRB Notice 2006-19 (July 27, 2006); MSRB Notice 2007-5 (January 25, 2007); MSRB Notice 2007-33 (November 15, 2007). Only those comments of the commentators on the Prior Notice and the Pilot Filing relating to the continuing disclosure service are discussed in this filing.

Several commentators on the Prior Notices discussed issues relating to continuing disclosure. These commentators stated that continuing disclosures should be made available on the same platform as other disclosures,[21] with some commentators supporting the MSRB's willingness to establish a comprehensive disclosure system that included continuing disclosure.[22] The MSRB's plan to establish the continuing disclosure service as a component of EMMA would ensure that continuing disclosure documents would be made available to the public through the EMMA portal.

A commentator on the Pilot Filing suggested that, if the Commission were to make the MSRB the sole secondary market disclosure filing venue for issuers and obligated persons, the Commission would move "closer to the Tower Amendment danger zone."[23] As noted in section 3(b) of this filing, the MSRB believes that the continuing disclosure service is consistent with the MSRB's statutory mandate under Section 15B of the Exchange Act. In particular, the MSRB believes that the operation of the continuing disclosure service would in no way violate the restrictions placed on the MSRB's

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21 *See* letters from Leslie Norwood, Vice President and Assistant General Counsel, Bond Market Association (now known as Securities Industry and Financial Markets Association, or "SIFMA"), to Mr. Lanza, dated September 15, 2006; Thomas Sargant, President, Regional Municipal Operations Association, to Mr. Lanza, dated September 27, 2006; Gary P. Machak, Chairman, Municipal Advisory Council of Texas, to Mr. Lanza, dated September 14, 2006; Elizabeth R. Krentzman, General Counsel, Investment Company Institute ("ICI"), to Mr. Lanza, dated September 14, 2006; Ruth Brod, Consultant, TRB Associates, to Mr. Lanza, dated September 14, 2006; Terry L. Atkinson, Managing Director, UBS Securities LLC, to Mr. Lanza, dated September 15, 2006.

22 *See* letters from Ms. Norwood, Managing Director and Associate General Counsel, SIFMA, to Mr. Lanza, dated December 14, 2007; S. Lauren Heyne, Chief Compliance Officer, R.W. Smith & Associates, Inc., to Mr. Lanza, dated December 17, 2007.

23 *See* comments of DPC. *See also* footnote 13 *supra*.

activities by the so-called Tower Amendment.[24] The MSRB believes that the proposed continuing disclosure service is consistent with the MSRB's Exchange Act mandate to adopt rules that, among other things, protect investors and the public interest by providing a free centralized source of information for retail investors.

As discussed in greater detail in section 4 of this filing, this commentator also stated that the MSRB's intention to combine continuing disclosures with primary market disclosures and trade price data "breaks new ground among regulatory bodies in terms of value-added content available to the public at no charge," expressing the view that the MSRB would "effectively take over the business of providing value-added content."[25] Another commentator on the Pilot Filing argued in favor of the creation of a "publicly accessible storage and dissemination system" for all filings in the municipal securities market, stating that the current municipal securities disclosure model "severely limits innovation and access" to disclosures and "locks up public documents in private hands while the proposed portal run by a public entity will encourage transparency in the municipal securities market and create a healthy ecosystem of information that will ultimately benefit both the investment community and the municipalities that seek access to public markets."[26]

As discussed in greater detail in section 4 of this filing, the MSRB believes that the operation by the MSRB of the continuing disclosure service would not result in the MSRB taking over the business of providing value-added content but instead serve as a

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24 *See* Exchange Act Section 15B(d).

25 *See* comments of DPC.

26 *See* letter from EDGAR Online. *See also* footnote 14 *supra*.

basis on which private enterprises could themselves concentrate more of their resources on developing and marketing value-added services. The MSRB believes that much of the impact of the proposed rule change on commercial enterprises would result from the increased competition in the marketplace resulting from the entry of additional commercial enterprises in competition with such existing market participants with respect to value-added services, rather than from the operation of continuing disclosure service as a source of the raw documents and related information to the public. Although the MSRB recognizes that the continuing disclosure service might require private enterprises to modify some aspects of the way they undertake their current business activities, the MSRB believes that the continuing disclosure service would promote, rather than hinder, further competition, growth and innovation in this area.

Most commentators on the 2008 Notice were supportive of the MSRB's decision to begin planning for the continuing disclosure service,[27] although some commentators

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[27] *See* letters from Rob Yolland, Chairman, National Federation of Municipal Analysts, to Mr. Lanza, dated March 10, 2008; Kathleen A. Aho, President, National Association of Independent Public Finance Advisors ("NAIPFA"), to Lynnette Hotchkiss, Executive Director, MSRB, dated March 10, 2008; Robert Donovan, Executive Director, Rhode Island Health and Educational Building Corporation, Stephen M. Fillebrown, Director of Research, Investor Relations and Compliance, NJ Health Care Facilities Financing Authority, and Charles A. Samuels and Meghan B. Burke, Mintz Levin Cohn Ferris Glovsky and Popeo PC, on behalf of National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA"), to Mr. Lanza, dated March 3, 2008; Cristeena G. Naser, Senior Counsel, American Bankers Association, to Mr. Lanza, dated February 28, 2008; Rick Farrell, Executive Director, Council of Infrastructure Financing Authorities ("CIFA"), to Mr. Lanza, dated February 25, 2008; Jack Addams, Managing Director, First Southwest Company ("First Southwest"), to Mr. Lanza, dated February 25, 2008; Jeffrey L. Esser, Executive Director and CEO, Government Finance Officers Association ("GFOA"), Vernon L. Larson, President, National Association of State Auditors, Comptrollers and Treasurers ("NASACT"), & South Dakota State Treasurer, and Lynn Jenkins, President,

(continued . . .)

would not commit fully to support this process until reviewing possible Commission amendments to Rule 15c2-12 necessary for the development of the MSRB's continuing disclosure service, as well as specific details relating to the implementation by the MSRB of the proposed continuing disclosure service.[28] Commentators representative of issuers encouraged the MSRB to work with the issuer community in developing the submission process.[29] The MSRB has participated in a series of meetings and demonstrations with issuer organizations to discuss the development of EMMA, including the continuing disclosure service. The MSRB would continue to work with the issuer community, as well as with the other relevant segments of the municipal securities marketplace, as development of the continuing disclosure service proceeds. In addition, the MSRB intends to work with issuer organizations to assist issuers in adapting to the process for submitting continuing disclosure documents to EMMA, including coordinated efforts targeted at issuers making submissions under continuing disclosure undertakings entered into prior to the continuing disclosure service becoming operational, with a view to ensuring that means for making submissions of continuing disclosure documents through

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National Association of State Treasurers ("NAST"), & Kansas State Treasurer, jointly, to Mr. Lanza, dated February 25, 2008; Heather Traeger, Assistant Counsel, ICI, to Mr. Lanza, dated February 25, 2008; Ms. Norwood, SIFMA, to Mr. Lanza, dated February 25, 2008.

28 *See* letters from CIFA; GFOA, NASACT and NAST; NAHEFFA; NAIPFA. GFOA, NASACT and NAST also stated, and NAHEFFA agreed, that "Rule 15c2-12 should only be changed to allow for electronic submission of disclosure documents to one central location, and that no other changes to the Rule should be made."

29 *See* letters from CIFA; GFOA, NASACT and NAST; NAHEFFA.

EMMA are available for issuers that have not yet fully adapted to EMMA's all-electronic submission process.

One commentator asked whether periodic filings other than submissions of annual financial information, such as quarterly or monthly financial results, would be accepted.[30] A second commentator sought clarification on whether continuing disclosure information for offerings sold prior to the launch of the continuing disclosure service would be accepted and made publicly available.[31] Another commentator asked whether historical documents would be included.[32]

The MSRB understands that issuers and obligated persons have often sought to disseminate to the marketplace items of continuing disclosure that are in addition to the specific items of continuing disclosure described in Rule 15c2-12. Such additional items may include, but are not limited to, quarterly or monthly financial information and notices of other events. In some cases such additional items of disclosure may be specified under a continuing disclosure undertaking entered into consistent with Rule 15c2-12. The continuing disclosure documents to be made publicly available through the EMMA portal would consist of the specific items of continuing disclosure described in Rule 15c2-12 and any additional disclosure items as specifically set forth in a continuing disclosure undertaking.[33] Continuing disclosure documents would be made available for

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30 *See* letter from NAHEFFA.

31 *See* letter from J. Foster Clark, President, National Association of Bond Lawyers ("NABL"), to Mr. Lanza, dated February 25, 2008.

32 *See* letter from First Southwest.

33 The MSRB supports the dissemination of additional continuing disclosures beyond the baseline established by Rule 15c2-12 and may consider in the future the possible expansion of the continuing disclosure service to include additional

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any issue for which such documents have been submitted to EMMA, regardless of whether the continuing disclosure undertaking was entered into before or after the establishment of the continuing disclosure service. EMMA would make available only those continuing disclosures submitted to EMMA on or after the launch of the continuing disclosure service.[34]

One commentator asked whether all continuing disclosure documents and information would be available for free on the EMMA portal or whether some portions would only be available to paid subscribers.[35] Other commentators sought clarification on the timing of information that would be provided through a subscription as compared to the time of posting the information on the EMMA portal.[36] As noted in this filing, all continuing disclosures received by the MSRB would be accessible for free on the EMMA portal and would also be available, simultaneously with posting on the EMMA portal, through a data-stream subscription for a fee. The subscription would not provide any documents or information in addition to what is made public through the EMMA website.

A commentator asked whether special software or other arrangements would be necessary for issuers, obligated persons and their agents to make submissions of

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(. . . continued)

voluntary secondary market disclosures, which would be the subject of future filings with the Commission.

34 While EMMA would not include historical documents, the continuing disclosure documents that would be received by EMMA through the continuing disclosure service would constitute the most up-to-date disclosures made by or on behalf of submitting issuers and obligated persons applicable to their securities.

35 *See* letter from NABL.

36 *See* letters from NAHEFFA; First Southwest.

continuing disclosure documents. This commentator also asked whether submitters would be provided with electronic confirmation that disclosure materials were received by the continuing disclosure service.[37] Continuing disclosure documents may be converted from other electronic formats to PDF using various free or commercially available software programs or plug-ins. In those cases where the original continuing disclosure document exists solely in paper format (which the MSRB believes is not common and should become increasingly rare), submitters may use the services of widely available commercial copying and document handling enterprises or may use existing or newly acquired scanning hardware. The web-based data-entry process that would be established for on-line submissions to the continuing disclosure service would require no special software other than a web browser. Similarly, on-line uploads of data files in extensible markup language (XML) do not require any special software but would require programming to create XML files and to provide a process for accurately populating the XML files with necessary data. Computer-to-computer connections, an optional means for submitting continuing disclosures expected to be used primarily by agents acting on behalf of multiple issuers and/or obligated persons, would require submitters to use commercially available products or to undertake programming (at the election of the submitter) to interface with an EMMA web service. All submission methods would provide appropriate feedback to submitters for error correction and submission confirmation purposes, which may require some programming by submitters to ensure they realize the full benefit of such feedback.

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[37] *See* letter from NAHEFFA.

The 2008 Notice sought comment on whether the continuing disclosure service should accept continuing disclosure submissions from a third party with respect to an issuer's securities only if the issuer has affirmatively designated that such third party is authorized to act as its agent, or whether submissions from any registered EMMA user should be accepted on behalf of an issuer unless the issuer has affirmatively indicated that it wishes to take control over which parties can submit on its behalf.

Three commentators jointly stated that "third parties should be able to submit on behalf of an issuer if and only if the issuer has affirmatively designated the third party agent to do so [emphasis in original]."[38] Two other commentators agreed,[39] while another disagreed,[40] stating that it was "concerned that if EMMA does not accept continuing disclosure from a third party, unless an issuer specifically authorizes the third party to EMMA, there will be cases of issuer inaction preventing timely disclosure." This commentator stated that, to avoid potential delays in the dissemination of disclosure to the marketplace caused by a requirement that the issuer authorize an agent to act on its behalf, it believed that "the current practice set forth in the standard Municipal Secondary Market Disclosure Information Cover Sheet should be continued, which requires the person/entity submitting information to represent affirmatively that the person is authorized to submit the information."[41]

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38 *See* letter from GFOA, NASACT and NAST.

39 *See* letters from NAHEFFA; First Southwest.

40 *See* second letter from SIFMA.

41 *See* second letter from SIFMA. The Cover Sheet referenced in the comment is a voluntary form created by industry participants for use in connection with submissions of continuing disclosures.

The MSRB believes that the ultimate authority to determine who may submit documents on behalf of the issuer or obligated person should lie with such issuer or obligated person and, as a result, the MSRB is proposing to provide that issuers and obligated persons may designate agents to submit documents and information on their behalf, and may revoke such designation, through the EMMA on-line account management utility, and such designated agents must register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents or other disclosure documents specified pursuant to such continuing disclosure undertaking may also act as a designated agent for such issuer or obligated person, without the necessity of the issuer or obligated person making a designation through the EMMA on-line account management utility, upon such party certifying through the EMMA on-line account management utility as to its authority to make submissions on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, may revoke such authority to act as a designated agent.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

The MSRB has consented to an extension of the time period specified in Section 19(b)(2) of the Exchange Act to 120 days after the date of publication of notice of filing of this proposed rule change.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2008-05 on the subject line.

Paper comments:

- Send paper comments in triplicate to Florence E. Harmon, Acting Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2008-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the

Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2008-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority (17 CFR 200.30-3(a)(12)).

Florence E. Harmon
Acting Secretary

MSRB Notice 2008-05
(January 31, 2008)

MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)

The Municipal Securities Rulemaking Board (the "MSRB") previously filed a proposed rule change with the Securities and Exchange Commission (the "SEC") to implement, on a pilot basis, an Internet-based portal (the "pilot portal") to provide free public access to official statements ("OSs") and advance refunding documents ("ARDs") submitted to the MSRB by underwriters of new issue municipal securities, together with real-time municipal securities trade price data from the MSRB's Real-Time Transaction Reporting System ("RTRS").[1] The pilot portal is a necessary first step toward establishing an "access equals delivery" standard for OS dissemination in the new issue municipal securities market, based on the "access equals delivery" rule for prospectus delivery for registered securities offerings adopted by the SEC in 2005.[2]

In its filing for the pilot portal, the MSRB noted that it would stand ready to expand the pilot to include secondary market disclosures (consisting of annual financial information and notices of specific material events provided by issuers and other obligated persons under Exchange Act Rule 15c2-12), should the SEC determine to modify Rule 15c2-12 to provide for a centralized electronic submission and dissemination model. In view of recent indications from the SEC that it expects to consider such a rule modification,[3] the MSRB has determined to take initial steps toward incorporating Rule 15c2-12 continuing disclosure submissions into its permanent on-line disclosure system, subject to final adoption of such modifications. The MSRB is seeking comment on certain basic elements relating to the incorporation of continuing disclosure into the MSRB's new disclosure utility. **Comments on this notice are due no later than February 25, 2008.**

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1 File No. SR-MSRB-2007-06. *See* MSRB Notice 2007-33 (November 15, 2007).

2 *See* Securities Act Release No. 8591 (July 19, 2005), 70 FR 44722 (August 3, 2005) and Securities Act Rule 172, on delivery of prospectus, Rule 173, on notice of registration, and Rule 174, on delivery of prospectus by dealers and exemptions under Section 4(3) of the Securities Act of 1933, as amended. The MSRB has previously sought comment on the necessary rule changes to implement the "access equals delivery" standard. *See* MSRB Notice 2007-33 (November 15, 2007); MSRB Notice 2007-05 (January 25, 2007).

3 *See* letter from Christopher Cox, Chairman, SEC, to Frank Y. Chin, Chairman, MSRB, dated November 21, 2007, available at www.msrb.org/msrb1/Press/Release/CoxLetter--11-07.pdf (the "SEC Letter").

ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) SYSTEM

The permanent system, to be known as the MSRB's Electronic Municipal Market Access system (EMMA), will serve as a centralized Internet-based system for free real-time public access to all primary market, secondary market and trade price data for municipal securities submitted to the MSRB. EMMA will provide a free public dissemination utility for municipal securities disclosure filings to parallel the SEC's public dissemination function for the registered securities market through its Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.[4] In addition, EMMA will provide trade pricing information for municipal securities to parallel the price dissemination functions offered by the self-regulatory organizations for various other securities markets.[5] All submissions to the MSRB through EMMA, including submissions of OSs and ARDs by underwriters and their agents and submissions of continuing disclosures by issuers and their agents under continuing disclosure agreements, would be made without charge solely by electronic means.

EMMA will be implemented in stages, with the initial stage consisting of the pilot portal for OSs and ARDs expected to become operational on or about March 10, 2008, subject to final approval by the SEC. This OS/ARD pilot portal is expected to operate for a limited period as the MSRB transitions to the "access equals delivery" standard for OS dissemination in the municipal securities market. EMMA's "access equals delivery" component is currently planned to become operational during the summer of 2008, subject to final rulemaking by the MSRB and SEC approval. At that time, the "access equals delivery" component will provide for free electronic submissions of all OSs and ARDs to the MSRB and free public access to such documents through the public EMMA website. The continuing disclosure component of EMMA also would be implemented in stages, with an initial pilot stage during which submissions of continuing disclosure information could be made on a voluntary basis and such voluntary submissions would be made publicly available through the EMMA website.[6] This continuing disclosure pilot stage would operate for a limited period until the effective date of any SEC rulemaking under Rule 15c2-12 to provide for the MSRB's role as the central submission and dissemination utility

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4 The EMMA system's disclosure function will not operate in an identical manner to the EDGAR system due to considerable differences in the two marketplaces, necessitating differing approaches to indexing of and searching for disclosure information.

5 See, for example, fixed-income prices provided by the Financial Industry Regulatory Authority; equity prices provided by the New York Stock Exchange, NASDAQ and others.

6 Such voluntary filings would not substitute for any required filings under existing continuing disclosure undertakings but would be intended to provide submitters the opportunity to gain experience with the EMMA system prior to it becoming the central submission utility for continuing disclosure information.

for continuing disclosure information. At that time, EMMA's continuing disclosure component would become fully operational, providing for free electronic submissions of all continuing disclosures under Rule 15c2-12 to the MSRB and free public access to such disclosures through the public EMMA website, as described below.

CONTINUING DISCLOSURES

Under Exchange Act Rule 15c2-12(b)(5), an underwriter for a primary offering of municipal securities subject to the rule currently is prohibited from underwriting the offering unless the underwriter has determined that the issuer or an obligated person for whom financial information or operating data is presented in the final OS, or a designated agent, has undertaken in writing to provide certain items of information to the marketplace.[7] The items to be provided include: (A) annual financial information concerning obligated persons;[8] (B) audited financial statements for obligated persons if available and if not included in the annual financial information; (C) notices of certain events, if material;[9] and (D) notices of failures to provide annual financial information on or before the date specified in the written undertaking. The written agreement shall identify each obligated person or other person for whom information will is to be provided, either by name or by an objective criteria for selecting such person, and also shall specify (i) the type of information to be included in the annual financial information, (ii)

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7 Rule 15c2-12(f)(10) defines "obligated person" as any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities sold in a primary offering (other than providers of bond insurance, letters of credit, or other liquidity facilities). The rule provides for more limited disclosures for obligated persons with no more than $10 million of outstanding municipal securities. *See* Rule 15c2-12(d)(2).

8 Rule 15c2-12(f)(9) defines "annual financial information" as financial information or operating data, provided at least annually, of the type included in the final OS with respect to an obligated person, or in the case where no financial information or operating data was provided in the final OS with respect to such obligated person, of the type included in the final OS with respect to those obligated persons that meet the objective criteria applied to select the persons for which financial information or operating data will be provided on an annual basis.

9 Such events consist of principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax-exempt status of the security; modifications to rights of security holders; bond calls; defeasances; release, substitution, or sale of property securing repayment of the securities; and rating changes.

the accounting principles pursuant to which financial statements will be prepared and whether such financial statements will be audited, and (iii) the date on which the annual financial information will be provided.

If the SEC amends Rule 15c2-12 to provide that issuers file their continuing disclosures under the rule centrally with the MSRB in electronic form, the MSRB would expand EMMA's functionalities to also serve as the central electronic submission system for filing of all secondary market disclosures under amended Rule 15c2-12, at no charge to the submitter. The MSRB would integrate this collection of secondary market disclosure information with the MSRB's OS/ARD collection and RTRS data to provide a free comprehensive centralized public access portal for primary market disclosure information, secondary market disclosure information and transaction price information. EMMA would accept submissions of continuing disclosure information directly from issuers, obligated persons and their designated agents acting on their behalf. Continuing disclosures would be submitted to EMMA solely by electronic means in the same designated electronic format as will be required for submissions of OSs and ARDs by underwriters.[10] EMMA would be designed to accept such electronic submissions, including basic indexing information, either through a web-based interface or by computer-to-computer upload or data stream. In addition to making continuing disclosures available publicly through the EMMA public web site, such disclosures would be available on a real-time basis through paid subscriptions to the complete EMMA document collection for re-dissemination or other use by subscribers.

The MSRB expects to collect key indexing information for secondary market disclosures both at the time of the initial issuance of the securities and when such disclosures are submitted to the MSRB. At initial issuance, underwriters of new issue municipal securities would be required to provide the following items of information: (i) whether a continuing disclosure undertaking exists; (ii) the identity of any obligated persons other than the issuer; and (iii) the date identified in the undertaking by which annual financial information is expected to be disseminated. ***The MSRB seeks comments on these additional items of information to be submitted in connection with new issues. In addition, the MSRB seeks comments on whether other additional items of information should be required to be submitted by underwriters at the time of initial issuance, such as (among other things) the identity of any agents designated to provide continuing disclosure information or any criteria set out in the continuing disclosure undertaking for identifying obligated persons subject to the disclosure obligations pursuant to such undertaking.***

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[10] The MSRB has proposed that submissions must be in an electronic format acceptable to the MSRB, must be word-searchable, and must permit the document to be saved, viewed, printed and retransmitted by electronic means using software generally available for free or on a commercial basis to non-business computer users. Documents in portable document format that are word-searchable and may be saved, viewed, printed and retransmitted by electronic means would be deemed to be in a designated electronic format. *See* MSRB Notice 2007-33 (November 15, 2007).

At the time of submission of an item of continuing disclosure, specific indexing information relating to such item would be collected from the submitter. Such information would be designed to accurately identify the category of information being provided, such as annual financial information, audited financial statements, material event notice (including designation of which category or categories of events), or failure to make timely filing of annual financial information. In addition, such information would be designed to accurately identify the issues or specific securities, as well as the obligated person (if applicable), to which such disclosure applies. Such information could be provided either through data files submitted to EMMA's computer-to-computer interface or through data-entry screens on the EMMA web interface.

Many issuers currently allow continuing disclosure information to be provided through designated agents. The MSRB intends on providing an issuer with the ability to control through EMMA who may act as a submission agent on its behalf. ***The MSRB seeks comments on whether the MSRB should accept submissions from a third party with respect to an issuer's securities only if the issuer has affirmatively designated to EMMA that such third party is authorized to act as its agent, or whether submissions from any registered EMMA user should be accepted on behalf of an issuer unless the issuer has affirmatively indicated that it wishes to take control over which parties can submit on its behalf.***

SUBMISSION PROCESS AND EMMA SUBSCRIPTIONS

The MSRB previously stated that EMMA would be designed to permit underwriters to designate third-party submission agents to act on their behalf with respect to their document and related information submission requirements.[11] In addition to using an upgraded version of the MSRB's current web-based electronic submission interface for individual documents, underwriters and their agents will be able to establish computer-to-computer data connections with EMMA to submit the documents and/or related information directly to EMMA. This direct document and data submission feature also would be available with respect to submissions of continuing disclosure information on behalf of issuers and obligated persons. In addition, the MSRB has noted that it will offer real-time subscriptions to EMMA's document collection and related information, which will be designed to provide real-time access to such documents and information as they are submitted and processed. The MSRB's goal is to ensure an efficient process for submission of documents and information to EMMA while making available real-time subscription products at a reasonable cost with a view to promoting broad dissemination of the EMMA information collection and encouraging market-based approaches to value-added services designed to meet the needs of investors and other market participants. The MSRB expects to begin soliciting feedback from potential submitters and subscribers to EMMA in the near future.

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11 *See* MSRB Notice 2007-5 (January 25, 2007).

* * * * *

Comments should be submitted by no later than February 25, 2008, and may be directed to Ernesto A. Lanza, Senior Associate General Counsel. Written comments will be available for public inspection at the MSRB's public access facility and also will be posted on the MSRB web site.[12]

January 31, 2008

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[12] All comments received will be made publicly available without change. Personal identifying information, such as names or e-mail addresses, will not be edited from submissions. Therefore, commentators should submit only information that they wish to make available publicly.

Alphabetical List of Comment Letters on MSRB Notice 2008-05 (January 31, 2008)

1. American Bankers Association: Letter from Cristeena G. Naser, Senior Counsel, dated February 28, 2008
2. Council of Infrastructure Financing Authorities: Letter from Rick Farrell, Executive Director, dated February 25, 2008
3. First Southwest Company: Letter from Jack Addams, Managing Director, dated February 25, 2008
4. Government Finance Officers Association, National Association of State Auditors, Comptrollers and Treasurers & National Association of State Treasurers (joint letter): Letter from Jeffrey L. Esser, Executive Director and CEO, GFOA, Vernon L. Larson, President, NASACT, & South Dakota State Treasurer, and Lynn Jenkins, President, NAST, & Kansas State Treasurer, dated February 25, 2008
5. Investment Company Institute: Letter from Heather Traeger, Assistant Counsel, dated February 25, 2008
6. National Association of Bond Lawyers: Letter from J. Foster Clark, President, dated February 25, 2008
7. National Association of Health and Educational Facilities Finance Authorities: Letter from Robert Donovan, Executive Director, Rhode Island Health and Educational Building Corporation, Stephen M. Fillebrown, Director of Research, Investor Relations and Compliance, NJ Health Care Facilities Financing Authority, and Charles A. Samuels & Meghan B. Burke, Mintz Levin Cohn Ferris Glovsky and Popeo PC, dated February 28, 2008
8. National Association of Independent Public Finance Advisors: Letter from Kathleen A. Aho, President, dated March 10, 2008
9. National Federation of Municipal Analysts: Letter from Rob Yolland, Chairman, dated March 10, 2008
10. Securities Industry and Financial Markets Association: Letter from Leslie M. Norwood, Managing Director and Associate General Counsel, dated February 25, 2008

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February 28, 2008

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2008-05 - Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)
January 31, 2008

Dear Mr. Lanza:

The American Bankers Association[1] ("ABA"), on behalf of its Corporate Trust Committee, is responding to the request for comment by the Municipal Securities Rulemaking Board ("MSRB") on the continuing disclosure component of its Electronic Municipal Market Access System, also known as "EMMA." ABA's Corporate Trust Committee is comprised of regional and nationwide corporate trustees who provide the vast majority of corporate trust services offered in the United States.

ABA supports the MSRB's initiative to enhance the availability of disclosure documents in the secondary market for municipal securities through the continuing disclosure component of EMMA. We stand ready to continue to assist issuers of municipal securities fulfill their secondary market disclosure obligations.

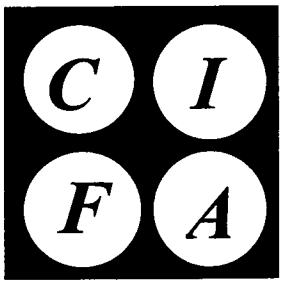
If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

Cristeena G. Naser

Cristeena G. Naser

[1] The American Bankers Association brings together banks of all sizes and charters into one association. ABA works to enhance the competitiveness of the nation's banking industry and strengthen America's economy and communities. Its members represent over 95 percent of the industry's $12.7 trillion in assets and employ over 2 million men and women.



Council of Infrastructure Financing Authorities

Executive Director
Rick Farrell

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February 25, 2008

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Dear Mr. Lanza:

The Council of Infrastructure Financing Authorities (CIFA) is pleased to provide comments responding to MSRB Notice 2008-05, *MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA).*

CIFA supports expanding MSRB's pilot to include secondary market disclosures as outlined in SEC Rule 15c2-12. A single no-cost repository for all disclosure information would provide important benefits for both issuers and investors and we endorse the SEC position that MSRB should host such a portal. We reserve a final position on EMMA until there is an opportunity to review SEC proposed changes to Rule 15c2-12 and the potential impact on the issuer community. We assume that MSRB will work closely with the issuer community to assure development of appropriate formats for the submission of documents.

We appreciate the opportunity to provide our views on this matter.

Sincerely,

Rick Farrell
Executive Director

First Southwest Company

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Jack Addams
Managing Director
Public Finance

jaddams@firstsw.com

February 25, 2008

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2008-05 (January 31, 2008) – MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)

Dear Mr. Lanza:

On behalf of First Southwest Company (First Southwest), we appreciate the opportunity to comment on the Municipal Securities Rulemaking Board's (MSRB) Notice 2008-05. First Southwest compliments the MSRB on its work to make the municipal marketplace more transparent and efficient.

With regard to the proposed notice as referenced above and the online EMMA system, First Southwest supports the MSRB's endeavors to make municipal disclosure easier for underwriters of municipal bonds to comply with SEC Rule 15c2-12, as amended (the Rule). In addition, as a broker dealer with a substantial financial advisory practice, we support technological initiatives that assist issuers with submission of annual disclosure documents as well as material events.

First, the MSRB has asked whether the items underwriters are required to report to the EMMA system upon initial issuance of bonds, "(i) whether a continuing disclosure undertaking exists; (ii) the identity of any obligated persons other than the issuer; and (iii) the date identified in the undertaking by which annual financial information is expected to be disseminated" is sufficient or whether additional items of information should be submitted. First Southwest believes that these three pieces of information are the impetus for the undertaking; and therefore, no additional items need to be reported. In addition, underwriters are already responsible for these items prior to buying or trading municipal bonds; and therefore, are inline with existing obligations under the Rule.

Second, First Southwest would encourage the MSRB to define real-time as "such disclosures would be available on a real-time basis through paid subscriptions to the complete EMMA document collection for re-dissemination or other use by subscribers." Would real-time be defined as sending batches of information at the end of the day, or would real-time be defined as an alternate timeframe, such as that required for reporting trades?

Third, although the EMMA system will be designed to replace the four nationally recognized municipal securities information repositories (NRMSIRs), the notice does not indicate whether EMMA will also replace the State Information Depositories (SIDs). The SIDs are useful

reference tools for issuers and underwriters of municipal bonds in states where they exist. First Southwest would support their continued existence.

In addition, although one central repository for filing of continuing disclosure documents would be more efficient than filing this information with four NRMSIRs, would historical documents be brought over from these repositories or would EMMA only contain documents filed beginning at a certain date in the future?

Finally, the MSRB seeks comment on whether the issuer has to affirmatively designate to EMMA whether a third party is authorized to act as the issuer's agent or if any registered EMMA user could submit disclosure documents on behalf of the issuer. First Southwest would agree that an issuer must make this designation to ensure only applicable and appropriate documentation related to an issuer's securities is provided.

Again, we appreciate the opportunity to provide comments on this important issue facing the municipal bond market.

Respectively,

Jack Addams
Managing Director
Public Finance

Government Finance Officers Association
National Association of State Auditors, Comptrollers and Treasurers
National Association of State Treasurers

February 25, 2008

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Dear Mr. Lanza:

The organizations listed above appreciate the opportunity to respond to MSRB Notice 2008-05, *MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)*.

Our organizations support the concept of expanding the MSRB's pilot Internet-based portal to include secondary market disclosures as specified in SEC Rule 15c2-12. We believe that providing a single no-cost repository for all disclosure information is an important step forward for both issuers and investors, and we support the SEC's public statements that the MSRB should host such portal. However, our organizations can not commit to fully supporting EMMA until we review the SEC's proposed changes to Rule 15c2-12, and the details of the system are carefully reviewed by the issuer community. To that end, we strongly encourage the MSRB to work with our associations and other issuer groups to ensure that EMMA provides a user-friendly format for those responsible for submitting documents.

We also suggest that the SEC allow submissions to EMMA during its pilot stage and that those submissions be fully in accordance with SEC Rule 15c2-12, so that issuers will not have to make submissions to both EMMA and the NRMSIRs during a transition time. Additionally, in reference to the MSRB's question about submission authorization, we believe that third parties should be able to submit on behalf of an issuer if and only if the issuer has affirmatively designated the third party agent to do so.

Lastly, we would like to reiterate our position that SEC Rule 15c2-12 should only be changed to allow for electronic submission of disclosure documents to one central location, and that no other changes to the Rule should be made.

We appreciate the MSRB's work to create a system that will benefit issuers and investors and we look forward to working with you as the EMMA system develops.

Sincerely,

Jeffrey L. Esser	Vernon L. Larson	Lynn Jenkins
GFOA Executive Director and CEO	NASACT President & South Dakota State Treasurer	NAST President & Kansas State Treasurer

INVESTMENT COMPANY INSTITUTE

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February 25, 2008

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2008-05, MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)

Dear Mr. Lanza:

The Investment Company Institute[1] commends the Municipal Securities Rulemaking Board ("MSRB") for its leadership in the continuing development of a centralized, Internet-based system for free, real-time public access to all primary market, secondary market and trade price data for municipal securities submitted to the MSRB. The current proposal, to expand the MSRB's Electronic Municipal Market Access system ("EMMA"), is another step in the much-needed creation of increased transparency of municipal securities information for investors.

Readily available information is critical to investors, who participate heavily in the municipal securities markets through funds. For example, mutual funds collectively hold about 31 percent of all U.S. municipal securities, totaling over $801 billion, and thus have a strong interest in ensuring timely and efficient access to municipal securities disclosure information.

The EMMA pilot program currently encompasses only primary market disclosure information – official statements and advance refunding documents – submitted to the MSRB by underwriters of new issue municipal securities. It will be important, however, that EMMA be expanded, as proposed, to encompass secondary market disclosure – annual financial information and material events notices – as well as primary market disclosure.[2] A centralized source for *all* municipal securities disclosure information is required to ensure the consistency, and to improve the utility, of such information by

[1] The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of $12.68 trillion and serve almost 90 million shareholders.

[2] *See* MSRB Notice 2008-05, *MSRB Begins Planning for continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)* (January 31, 2008).

allowing investors in municipal securities to access comprehensive disclosure information for an issuer at a single source. Thus, it also will be critical for the Securities and Exchange Commission ("SEC") to amend Rule 15c2-12 under the Securities Exchange Act of 1934 to provide for a centralized electronic submission and dissemination model for secondary market disclosure. [3]

The Institute has consistently endorsed making available to investors municipal security disclosures on a timely basis through an easily accessible venue, such as a system similar to the SEC's EDGAR registration and periodic disclosure system for public companies. The Institute strongly supported the MSRB's first step in its plan to create centralized disclosure for municipal securities – the proposal to adopt an "access equals delivery" standard for primary market disclosure.[4] At that time, the Institute had been concerned that the specific proposal could, as a practical matter, maintain the status quo of decentralized municipal securities disclosure. Accordingly, the Institute expressed its belief that any new electronic system should electronically submit primary market disclosure to all repositories (the current recipients of secondary market disclosure), providing investors with access to comprehensive disclosure information at a single source. This concern would be resolved by the current proposal, which would provide for a centralized source for *both* primary and secondary municipal market disclosure.

* * * * *

The Institute appreciates the opportunity to comment on this proposal. If you have any questions or comments or would like any additional information, please contact the undersigned at 202/326-5920 or via email at htraeger@ici.org.

Sincerely,

/s/ Heather Traeger

Heather Traeger
Assistant Counsel

CC: Lynnette Hotchkiss, Executive Director
Harold Johnson, Deputy General Counsel
MSRB

Erik Sirri, Director
Martha Haines, Chief, Office of Municipal Securities
Division of Trading and Markets
Securities and Exchange Commission

[3] Rule 15c2-12 provides that secondary market disclosure information be filed with nationally recognized municipal securities information repositories, or NRMSIRs.

[4] *See* Letter from Elizabeth R. Krentzman, General Counsel, Investment Company Institute, to Ernesto A. Lanza, Senior Associate General Counsel, MSRB, dated September 14, 2006.

National Association
of Bond Lawyers

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February 25, 2008

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: **MSRB Notice 2008-05 (January 31, 2008)**
MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)

Dear Mr. Lanza:

The National Association of Bond Lawyers ("NABL") respectfully submits the enclosed response to the Municipal Securities Rulemaking Board ("MSRB") solicitation of comments on MSRB Notice 2008-05, dated January 31, 2008 (the "Notice"), regarding MSRB's planning for the continuing disclosure component of the new electronic municipal market access system ("EMMA"). The comments were prepared by an *ad hoc* subcommittee of NABL's Securities Law and Disclosure Committee, as listed in Exhibit I.

In the Notice, the MSRB requests specific comments regarding the continuing disclosure component of EMMA, and NABL has provided comments in response to certain of these requests.

NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance. A professional association incorporated in 1979, NABL has approximately 3,000 members and is headquartered in Chicago.

If you have any questions concerning the comments, please feel free to contact me at 205/226-3482 (fclark@balch.com) or Elizabeth Wagner, Director of Governmental Affairs at 202/682-1498 (ewagner@nabl.org).

National Association
of Bond Lawyers

Thank you in advance for your consideration of these comments with respect to this important development in the municipal securities industry.

Sincerely,

J. Foster Clark

Enclosures

cc: Teri M. Guarnaccia
Curt Gwathney
William L. Hirata
Michael T. Kersten
Andrew Kintzinger
John M. McNally
Jeffrey C. Nave
Rebecca J. Olsen
Joseph E. Smith
Walter J. St. Onge III
Fredric A. Weber

National Association *of* Bond Lawyers

COMMENTS
OF THE
NATIONAL ASSOCIATION OF BOND LAWYERS
REGARDING
MSRB NOTICE 2008-05

MSRB BEGINS PLANNING FOR CONTINUING DISCLOSURE COMPONENT OF THE NEW ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM (EMMA)

The following comments are submitted to the Municipal Securities Rulemaking Board ("MSRB") on behalf of the National Association of Bond Lawyers ("NABL") relating to the MSRB Notice 2008-05—MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA), dated January 31, 2008 (the "Notice"). The comments were prepared by an *ad hoc* subcommittee of the NABL Securities Law and Disclosure Committee.

NABL welcomes this opportunity to respond to the MSRB's continuing initiative to develop an electronic system for dissemination of municipal securities disclosure documents and focuses its comments on those particular questions to which it believes it has relevant expertise. NABL has two general comments about the Notice as well as several specific comments. The headings shown below under NABL's specific comments correspond to the MSRB's requests in the Notice.

1. General Comment—Availability of Continuing Disclosure Filings on EMMA.

NABL asks that the MSRB clarify its plans regarding the availability of continuing disclosure filings on EMMA. Will all content be free? Will only portions of the content be free? In the Notice, the MSRB makes several statements about the availability of continuing disclosure filings on EMMA. The Notice states that "EMMA's continuing disclosure component would . . . [provide] for free electronic submissions of all continuing disclosures under Rule 15c2-12 to the MSRB and free public access to such disclosures through the public EMMA website . . . ." The Notice also states that "[i]n addition to making continuing disclosures available publicly through the EMMA public web site, such disclosures would be available on a real-time basis through paid subscriptions to the complete EMMA document collection for re-dissemination or other use by subscribers." Further, the Notice states that "[i]n addition, the MSRB has noted that it will offer real-time subscriptions to EMMA's document collection and related information, which will be designed to provide real-time access to such documents and information as they are submitted and processed. The MSRB's goal is to ensure an efficient process for submission of documents and information to EMMA while making available real-time subscription products at a reasonable cost with a view to promoting broad dissemination of the EMMA information collection and encouraging market-based approaches to value-added services designed to meet the needs of investors and other market participants." When read together, these statements seem to indicate that only paid subscribers would have immediate access to all of EMMA's documents. Is this the MSRB's intent? Or is the MSRB's intent that all would have immediate

access, but that paid subscribers would have immediate receipt of the information (through an RSS technology or otherwise)?

2. General Comment—Continuing Disclosure Filings for Previously Issued Municipal Securities on EMMA.

NABL also asks that the MSRB clarify its plans regarding continuing disclosure filings with respect to previously issued municipal securities. In the Notice, the MSRB indicates that it expects to collect information relating to "new issue municipal securities," which suggests the MSRB will not accept continuing disclosure filings with respect to previously issued municipal securities. Will the MSRB accept filings with respect to previously issued municipal securities either because they are submitted voluntarily by an issuer or because an issuer is required to submit them pursuant to a continuing disclosure agreement?

3. Specific Comments.

The MSRB seeks comments on these additional items of information to be submitted in connection with new issues. In addition, the MSRB seeks comments on whether other additional items of information should be required to be submitted by underwriters at the time of initial issuance, such as (among other things) the identity of any agents designated to provide continuing disclosure information or any criteria set out in the continuing disclosure undertaking for identifying obligated persons subject to the disclosure obligations pursuant to such undertaking.

In the Notice, the MSRB states that, at the time of initial issuance "underwriters of new issue municipal securities would be required to provide the following items of information: (i) whether a continuing disclosure undertaking exists; (ii) the identity of any obligated persons other than the issuer; and (iii) the date identified in the undertaking by which annual financial information is expected to be disseminated."

NABL has no comments on the first requested item of information but would qualify the second requested item of information. Instead of having underwriters identify "obligated persons" (a term that has a technical meaning under the United States Securities and Exchange Commission's Rule 15c2-12), NABL recommends that underwriters be required only to identify those persons expressly specified in the continuing disclosure undertaking who will be required to make continuing disclosure filings or to state that such persons will be determined by the functional description contained in the continuing disclosure undertaking (for example, participants in a pooled bond financing satisfying certain criteria in the continuing disclosure undertaking).

Rule 15c2-12 does not require that continuing disclosure filings be made regarding all obligated persons, but only regarding those obligated persons about whom financial information or operating data is included in an offering document. In addition, NABL is concerned that this second requested item of information could be viewed as additional certification by underwriters beyond the obligations prescribed by Rule 15c2-12(b)(5)(i) that underwriters "reasonably determine" that a continuing disclosure undertaking conforming to the Rule has been executed.

With respect to the third item of information, NABL requests that the MSRB clarify why it plans to require that underwriters provide to the MSRB the date identified in the continuing

disclosure undertakings by which annual financial information is expected to be disseminated. This information already can be found in the offering documents to which such undertakings relate. Moreover, if more than one person is specified in the undertaking that will be required to make continuing disclosure filings or if reporting is required more frequently than annually, financial information dissemination will be required on multiple dates.

With respect to other additional items of information that should be required to be submitted by underwriters at the time of initial issuance, NABL does not believe that underwriters should be asked to identify agents designated to provide continuing disclosure information. However, NABL recommends that the MSRB consider requiring underwriters to submit CUSIP numbers at the time of initial issuance, so that users of EMMA can search for information by issuer name or CUSIP number. NABL also recommends that the MSRB solicit input from the investor community regarding the desirability of requiring underwriters to submit the name and a unique identification number for those obligated persons about whom financial information or operating data is included in an offering document (for example, an employer identification number) at the time of initial issuance, so that users of EMMA can search for information by obligated persons identified in filings.

The MSRB seeks comments on whether the MSRB should accept submissions from a third party with respect to an issuer's securities only if the issuer has affirmatively designated to EMMA that such third party is authorized to act as its agent, or whether submissions from any registered EMMA user should be accepted on behalf of an issuer unless the issuer has affirmatively indicated that it wishes to take control over which parties can submit on its behalf.

NABL respectfully defers to the issuer community on the issue of whether the MSRB should accept submissions from third parties with respect to an issuer's securities.

National Association *of* Bond Lawyers

EXHIBIT I

NABL SECURITIES LAW AND DISCLOSURE COMMITTEE
AD HOC SUBCOMMITTEE MEMBERS
MSRB NOTICE 2008-05

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NAHEFFA

National Association of Health and Education Facilities Finance Authorities

March 3, 2008 **[By Mail and e-Mail]**

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314
Attention: Rulemaking/Policy

RE: Comments on January 31, 2008 MSRB Notice 2008-05

Dear Mr. Lanza:

The National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) appreciates the opportunity to comment on MSRB Notice 2008-05 relating to the new Electronic Municipal Market Access System ("EMMA"). NAHEFFA represents statewide issuers of tax-exempt bonds for non-profit healthcare, higher education and other charitable purposes.

We generally support the concept of expanding the existing pilot to contain a continuing disclosure component, as described in your notice. We need details about the operation of the system before we can fully comment or determine our support. The following are preliminary comments and questions.

First, it is important that the SEC modify Rule 15c2-12 to make clear that submission of information to EMMA, even during the pilot period, satisfies all filing obligations and that issuers will not be required also to make submissions through the NRMSIRs. Second, the provisions of the SEC Rule 15c2-12 should be limited to allowing electronic submission of disclosure documents to one central location and not be expanded for other purposes, including to further the SEC's announced interest in increasing regulation of issuers.

We support a requirement that there be an explicit designation by the issuer of a third party who may act as a submission agent on its behalf. It is important that issuers maintain control of who may file such submissions on their behalf and that MSRB be clear that specific authorization has been provided.

There are several matters raised in the notice which require clarification. For example, the notice states that underwriters will be required to provide certain information at initial issuance, including without limitation "the date on which the annual financial information will be provided." We request that the MSRB clarify the purpose of such information and, if such information is to reflect the obligations under the continuing disclosure agreement, that the data entry be flexible enough to reflect a deadline such as within a certain number of days (i.e., 180) from the end of the fiscal year, rather than a date certain. In addition, please clarify whether EMMA would accommodate regular, periodic filings in addition to annual ones, whether an obligation in the continuing disclosure agreement or elsewhere, such as a commitment of a borrower in a conduit financing to provide quarterly or monthly financial results.

Mr. Ernesto A. Lanza
March 3, 2008

Our conceptual support for EMMA is based on the understanding that it will not require additional cost to prepare data submissions. In that regard, the statement in the notice that "information could be provided either through data files submitted to EMMA's computer-to-computer interface or through data-entry screens on the EMMA web interface" raises the question whether special software or other arrangements will need to be purchased by issuers. How accessible is the interface? Are standard e-mail systems capable of this interface or are there additional buried transaction costs which should be made clear? Please also confirm that issuers will receive electronic confirmation that disclosure materials were received by EMMA.

Finally, the notice states that "in addition to making continuing disclosures available publicly through the EMMA website, such disclosures would be available on a real-time basis through paid subscriptions to the complete EMMA document collection for re-dissemination or other use by subscribers." This raises the issue of two different levels of access to this data. We request information about the nature of the special access that your real-time subscribers will obtain and how that differs from the benefits to the general public. How many hours or days gap will there be between access by the special paid subscribers and the general public? We believe that issuers as well as private sector participants ought to have essentially the same benefit from EMMA without having to pay MSRB for a subscription.

We appreciate the opportunity to comment and look forward to working closely with MSRB. We believe that it is critical that MSRB make a special effort to reach out to issuers on the continuing development of this system.

On behalf of NAHEFFA:

RD/CAS

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Executive Director
Rhode Island Health and Educational Building Corporation
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SMF/CAS

Stephen M. Fillebrown
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cc: Lynnette Kelly Hotchkiss, Esquire

National Association of Independent Public Finance Advisors
www.naipfa.com

March 10, 2008

Ms. Lynnette Hotchkiss, Esquire, Executive Director
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: **EMMA Proposal**

Dear Ms. Hotchkiss:

The Board of Directors of the National Association of Independent Public Finance Advisors has considered the pending proposal of the Municipal Securities Rulemaking Board regarding the establishment of the EMMA service for delivery of official statements and continuing disclosure documents to investors in electronic form at a central location.

NAIPFA is a national professional association of independent public finance advisors to state and local governments. We train, test and certify advisors and undertake educational and informational activies.

In general, we favor a system with cost reduction benefits as well as an effort to speed document delivery and improve investor access. Much will depend upon the details of the system, but the concept is one that we believe should be pursued. In particular, we are unclear about how the EMMA system would function in the context of competitive bids. Clarification would be appreciated, especially with regard to postings by financial advisors and/or issuers.

Thank you for this opportunity to comment on the EMMA concept.

Yours very truly,
National Association of Independent Public Finance Advisors

Kathleen A. Aho, CIPFA
President

March 10, 2008

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

RE: MSRB Notice 2008-05: MSRB Begins Planning for Continuing Disclosure Component of the New Electronic Municipal Market Access System (EMMA)

Dear Mr. Lanza:

The National Federation of Municipal Analysts ("NFMA") is an association consisting of approximately 1,000 municipal credit analysts and portfolio managers across the country. The NFMA appreciates the opportunity to comment on the continuing disclosure component of the new electronic municipal market access system as captioned above.

As you know, the NFMA has been an advocate for better and timelier disclosure throughout its 25 year existence and we consider EMMA to be a significant step in furthering market disclosure. The NFMA fully supports the MSRB's initiative and looks forward to working more closely with the MSRB as this initiative proceeds.

In general, the NFMA fully supports the concept of a system where all interested parties can receive disclosure free of charge to the user. However, we strongly believe that EMMA should be capable of housing all disclosure documents, extending beyond those specifically required by rule 15c2-12. As outlined in our previous letters to the MSRB, NFMA believes it is in the best interest of all market participants to file primary and secondary market disclosure documents with one centralized system and EMMA would apparently allow all prospective users to access disclosure documents in one location.

There are a few items NFMA would like to comment on, both in response to questions raised in the notice, and thinking ahead to implementation of the EMMA system:

1. To the extent issuers follow NFMA's recommended best practices papers, or otherwise agree or covenant to provide secondary market disclosure beyond the minimums specifically required by rule 15c2-12, the NFMA anticipates EMMA would be capable of storing and making available this information. Although we recognize that EMMA is designed to address disclosure requirements of rule 15c2-12, NFMA could only support a system that allows access to other pertinent information.

2. The NFMA would like EMMA to include the name and phone number of each issuer's investor contact, a link to the issuer's web site, and a list of CUSIP numbers for all primary and secondary market debt covered by the relevant information.

3. The NFMA is concerned with the ability to access secondary market information in an efficient manner. With the significant number of municipal credits (50,000+) and the expected daily influx of secondary market data, it is imperative the system has a search functionality that is intuitive and user friendly. We would suggest an ability to catalog a list of CUSIPs where the disclosure information is pushed through email or login to the analyst instead of each analyst searching every relative CUSIP daily. An email/alert system would be most beneficial. A CUSIP-based search would also be helpful, as would a system that would allow searches by sector, state, coupon, maturity, and issue date. There are a variety of forms this can take, and we think it would be prudent to speak with the investing public to best determine how to proceed.

4. The NFMA believes this system would be most useful to investors, and the market in general, if there is a way to immediately populate all primary and secondary market information for all issues.

5. The NFMA does not take issue with designated agents supplying the repositories with disclosure material; however, the ultimate responsibility for disclosure lies with the obligor and we believe it essential that the obligor verify that a filing has been made and is accurate. If the agent fails to post the information, the responsibility lies with the issuer and not the agent.

6. There is some ambiguity in this release concerning free information to the public and information available on a real-time basis through paid subscription; however, we are comforted by the clarification in the *Bond Buyer* article on February 27, 2008.

Thank you for the opportunity to reply to this proposal. We are thrilled the MSRB has agreed to host this site and look forward to its full implementation. If you have any questions concerning this letter, please feel free to contact me at (650)312-3023 or ryolland@frk.com.

Sincerely,

/s/Rob Yolland

Rob Yolland
Chairman
NFMA

SIFMA
Securities Industry and Financial Markets Association

February 25, 2008

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2008-05: Plans to Establish an Electronic Access System for Continuing Disclosure

Dear Mr. Lanza:

The Securities Industry and Financial Markets Association ("Association")[1] appreciates this opportunity to respond to Notice 2008-05 issued by the Municipal Securities Rulemaking Board ("MSRB") on January 31, 2008 ("Notice") in which the MSRB requests comment on its proposal to expand the pilot portal being developed by the MSRB, in connection with official statements and advance refunding documents, to include secondary market submissions of continuing disclosure in the event the Securities and Exchange Commission ("SEC") amends Rule 15c2-12 to provide for a centralized electronic submission and dissemination model.

The Association fully supports the development by the MSRB of a pilot portal, as an internet-based public access portal, to provide free access to secondary market disclosures (consisting of annual financial information, notices of specific material events and related filings pursuant to Rule 15c2-12). The pilot portal, along with the pilot portal for primary market disclosure, would be in anticipation of a permanent system, to be known as the MSRB's Electronic Municipal Market Access system ("EMMA"). The Association further wishes to express its appreciation to the MSRB for its efforts to create a single electronic portal for both primary and secondary market disclosure, which we believe will improve market efficiency and facilitate comprehensive disclosure in the municipal securities markets. The MSRB is to be congratulated for its rapid response to recommendations from the Association and other market participants

[1] The Association, or "SIFMA," brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

that there be a single location for free access by investors of both primary and secondary market information.

Submission of Indexing Information

The MSRB seeks comment on the proposal in the Notice that underwriters submit certain indexing information at the time of initial issuance of municipal securities. At the time of initial issuance, underwriters would be required to provide the following items of information: (i) whether a continuing disclosure undertaking exists, (ii) the identity of any obligated person other than the issuer, and (iii) the date identified in the undertaking by which annual financial information is expected to be disseminated.

The Notice does not identify the time or format required for this information other than that it would be at the time of initial issuance. Presumably, the information would be part of the new G-32 form submitted when the official statement is filed with EMMA. The second item, which is the identification of any obligated person, may, in some cases, have little value because a financing can have numerous obligated persons, but continuing disclosure is not required with respect to an obligated person unless information about the obligated person is material and the official statement thus contains financial or operating data about the obligated person. If the reason for this information is for the portal site to have a line item disclosing obligated persons about whom continuing disclosure will be provided, it should also be recognized that many obligated persons file on EDGAR pursuant to the Securities Exchange Act of 1934, and the EDGAR filing will normally satisfy the continuing disclosure agreement. Attempting to disclose which obligated persons can be expected to file on EMMA seems unnecessarily complicated since the official statement itself, which is on the portal, has a summary paragraph stating who will be filing continuing disclosure and where it will be filed. The continuing disclosure agreement, in full, is also usually in the official statement.

The third item of information, stating the date by which annual financial information is expected to be disseminated is likely to be vague and, thus, not useful. Typically, the continuing disclosure agreement has a formula, such as "within 90 days after the close of the issuer's fiscal year." We doubt this statement has much utility. Once the annual information is filed on EMMA, a pattern will develop that will indicate to investors when the information is likely to be filed each year.

Designated Agents

The MSRB seeks comment on whether the MSRB should accept submissions from a third party with respect to an issuer's securities only if the issuer has affirmatively designated to EMMA that such third party is authorized to act as its agent, or whether submissions from any registered EMMA user should be accepted on behalf of an issuer unless the issuer has affirmatively indicated that it wishes to take control over which parties can submit on its behalf.

The Association is concerned that if EMMA does not accept continuing disclosure from a third party, unless an issuer specifically authorizes the third party to EMMA, there will be cases of issuer inaction preventing timely disclosure. Many issuers appoint dissemination agents or rely on obligated persons to submit continuing disclosure. Posting disclosure should not be delayed by a requirement of authorization by an issuer, who is not involved in making continuing disclosure, because a delay in authorization would create an increased likelihood of a failure to provide information on or before the date specified in the continuing disclosure agreement and, thus, a new notice required of a failure to comply as well as disclosure in a subsequent official statement of a failure to comply. We believe the current practice set forth in the standard Municipal Secondary Market Disclosure Information Cover Sheet should be continued, which requires the person/entity submitting information to represent affirmatively that the person is authorized to submit the information.

We appreciate the opportunity to comment on the proposed pilot portal for secondary market disclosure. If you have any questions concerning these comments, or would like to discuss these comments further, please feel free to contact the undersigned at 212.313.1130 or via email at lnorwood@sifma.org.

Respectfully,

Leslie M. Norwood
Managing Director and
Associate General Counsel

cc: ***Securities Industry and Financial Markets Association***
Municipal Executive Committee
Municipal Policy Committee
Municipal Legal Advisory Committee
Municipal Operations Committee
Municipal Syndicate & Trading Committee
Municipal Credit Research, Strategy and Analysis Committee
Municipal Access Equals Delivery Task Force

MSRB Notice 2007-33
(November 15, 2007)

MSRB Files Pilot Portal for On-Line Dissemination of Official Statements and Related Information and Seeks Comments on Revised Draft Amendments to Establish an "Access Equals Delivery" Standard Under Rule G-32

The Municipal Securities Rulemaking Board (the "MSRB") has filed a proposed rule change with the Securities and Exchange Commission (the "SEC") to implement, on a pilot basis, an Internet-based portal (the "pilot portal") to provide free public access to official statements ("OSs") and advance refunding documents ("ARDs") submitted by brokers, dealers and municipal securities dealers ("dealers") acting as underwriters, primary distributors, placement agents or remarketing agents (collectively referred to as "underwriters") to the MSRB's Municipal Securities Information Library® ("MSIL®") system under Rule G-36, on delivery of official statements, advance refunding documents and Forms G-36(OS) and G-36(ARD).[1] The MSRB expects the pilot portal to become operational on the later of March 10, 2008 or 5 business days after SEC approval.

In addition, the MSRB is seeking comment on revised draft amendments to Rule G-32, on disclosures in connection with new issues, to establish an "access equals delivery" standard for OS dissemination in the new issue municipal securities market, based on the "access equals delivery" rule for prospectus delivery for registered securities offerings adopted by the SEC in 2005.[2] **Comments on the revised draft amendments are due by no later than December 17, 2007.**

The pilot portal is expected to operate for a limited period of time as the MSRB transitions to a permanent integrated system for electronic submissions of all OSs and ARDs to the MSRB and for free public access to such documents through a centralized Internet-based portal (the "permanent system") to be implemented in conjunction with the expected adoption by

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1 File No. SR-MSRB-2007-06. Comments on the proposed rule change should be submitted to the SEC and should reference this file number. *See* File No. SR-MSRB-2007-06 for a discussion of the comments previously received by the MSRB on issues related to a centralized public access site for the MSIL system's OS/ARD collection. Copies of the comment letters are available for public inspection at the MSRB website.

2 *See* Securities Act Release No. 8591 (July 19, 2005), 70 FR 44722 (August 3, 2005). The revised draft amendments incorporate (with modifications adapted to the specific characteristics of the municipal securities market) many of the key "access equals delivery" provisions in Securities Act Rule 172, on delivery of prospectus, Rule 173, on notice of registration, and Rule 174, on delivery of prospectus by dealers and exemptions under Section 4(3) of the Securities Act of 1933, as amended.

the MSRB of the "access equals delivery" standard. The MSRB will seek input from the industry and the general public on the pilot portal to assist in optimizing the functionality of the permanent system.

OFFICIAL STATEMENT DELIVERIES UNDER CURRENT MSRB RULES

Under Rule G-32, a dealer selling a new issue municipal security to a customer during the period ending 25 days after bond closing (the "new issue disclosure period") must deliver the OS to the customer on or prior to trade settlement.[3] The rule includes inter-dealer delivery requirements for new issue municipal securities to assist selling dealers in meeting their customer delivery obligations.[4]

Rule G-36 requires underwriters to submit OSs, accompanied by Form G-36(OS), for most primary offerings of municipal securities to the MSRB within certain specified timeframes. In addition, if the offering is an advance refunding and an ARD has been prepared, the ARD and Form G-36(ARD) also must be sent by the underwriter to the MSRB. OSs and ARDs may currently be submitted in either paper or electronic format. These submissions are collected into the comprehensive MSIL system library. The MSRB makes these documents available electronically to paid subscribers, many of whom provide value-added services with respect to such materials for their customers. OSs and ARDs are also made available in paper form, subject to copying charges, at the MSRB's public access facility in Alexandria, Virginia.

PILOT PORTAL

The proposed rule change would establish the pilot portal as an Internet-based public access portal providing free access to OSs and ARDs received by the MSRB under Rule G-36. Copies of all OSs and ARDs received by the MSRB on or after implementation of the pilot portal will be made publicly available at the pilot portal, promptly after acceptance and processing, as portable document format (PDF) files for viewing, printing and downloading, and will remain publicly available for the life of the municipal securities through the pilot portal and/or the permanent system. The pilot portal will provide on-line search functions utilizing the MSIL system computer index to ensure that users of the pilot portal are able to readily identify and access documents that relate to specific municipal securities based on a broad range of search parameters. The pilot portal will be designed to provide a user searching for a particular municipal security with a comprehensive display of relevant information concerning such

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[3] Rule G-32 provides limited exceptions to this delivery requirement. The dealer also must provide certain additional information about the underwriting (including initial offering prices) if the issue was purchased by the underwriter in a negotiated sale.

[4] Selling dealers and the managing underwriter must send OSs to purchasing dealers promptly upon request. Dealer financial advisors that prepare the OS must provide such OS to the managing underwriter promptly.

security available from the MSRB's various information systems on a single screen or related set of screens. The pilot portal will provide basic identifying information for the security, direct access to the OS available from the MSIL system collection, price information from the MSRB's Real-Time Transaction Reporting System ("RTRS") for the most recent trades in such security (as well as historical price information), and, if the security has been advance refunded by a refunding issue, any ARDs available from the MSIL system relating to such advance refunding.

The pilot portal will operate for a limited period of time as the MSRB transitions to a permanent integrated system for electronic submissions of all OSs and ARDs to the MSRB and free public access to such documents through a centralized Internet-based portal to be implemented in conjunction with the expected adoption by the MSRB of the "access equals delivery" standard. The functions of the pilot portal, along with other key features of the current MSIL system and additional functional improvements (including but not limited to establishment of real-time subscriptions to the complete document collections processed through the permanent system for redissemination or other use by subscribers), will be incorporated into the permanent system. The permanent system is expected to replace the MSIL system once this transition is completed and all critical functions and information stores (including but not limited to the complete OS/ARD back-log collection) of the MSIL system have been transferred to the new permanent system or are able to be handled by other MSRB processes.

Although the MSRB currently operates CDINet, a service of the MSIL system designed to process and disseminate continuing disclosure information and notices of material events submitted to the MSRB under Rule 15c2-12, the MSRB does not anticipate including information received through CDINet in the pilot portal due to the very limited level of submissions of disclosure information received by CDINet from issuers and their agents.[5] The MSRB believes that making the limited collection of secondary market information available in CDINet accessible to the public through the pilot portal would represent a piecemeal approach

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[5] Rule 15c2-12 currently requires underwriters for most primary offerings of municipal securities to obtain an undertaking by the issuer or obligated person to provide certain types of continuing disclosure information to the marketplace, consisting of material event notices and annual filings of financial information. Annual filings are to be sent to all existing nationally recognized municipal securities information repositories ("NRMSIRs") and any state information depositories ("SIDs"), while material event notices may be sent either to all existing NRMSIRs or to the MSRB, as well as to any SIDs. The level of submissions of material event notices to the MSRB's CDINet has diminished dramatically since this provision was adopted such that CDINet receives only a small percentage of material event notices currently provided to the marketplace. The Commission has published proposed amendments to Rule 15c2-12 to eliminate the MSRB's limited role in the current secondary market disclosure system due in large measure to the low volume of usage as well as the need for significant upgrades to keep the CDINet operational. *See* Exchange Act Release No. 54863 (December 4, 2006), 71 Fed. Reg. 71109 (December 8, 2006).

that would not be beneficial to the public and could potentially be misleading under certain circumstances. In particular, investors would be required to search through various other sources to find secondary market information for the bulk of the outstanding issues for which information is not available through CDINet and, even if secondary market information for a particular security is available through CDINet, investors would still need to search through the various other sources to ensure that no additional secondary market information about that security has been submitted elsewhere.

The MSRB recognizes the substantial benefits to the marketplace that would be realized should the SEC determine to modify the existing secondary market disclosure system under Rule 15c2-12 to provide for a centralized electronic submission and dissemination model. The MSRB stands ready to expand its planned electronic submission system under the permanent system to also serve as the central electronic submission system for free filings of all secondary market disclosure under an amended Rule 15c2-12 and to integrate this complete collection of secondary market disclosure information with the MSRB's OS/ARD collection and RTRS data to provide a free comprehensive centralized public access portal for primary market disclosure information, secondary market disclosure information and transaction price information. An illustration of the potential for a comprehensive integrated display of these types of municipal securities information has been posted at the MSRB's website for public comment.[6]

REVISED DRAFT AMENDMENTS TO RULE G-32

In a notice for comment published on January 25, 2007 (the "January 2007 Notice"),[7] the MSRB sought comment on draft rule changes to Rules G-32 and G-36 to implement an "access equals delivery" standard for OS dissemination (the "original draft amendments"). The original draft amendments would consolidate current Rules G-32 and G-36 into a single substantially revised Rule G-32, on new issue disclosure practices, and Rule G-36 would be rescinded.[8]

The MSRB received comments from 12 commentators, who were nearly unanimous in their support of an "access equals delivery" standard.[9] Based on those comments, the MSRB has

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6 www.msrb.org/msrb1/accessportal/SampleComprehensiveDisclosureDisplay.htm.

7 MSRB Notice 2007-5 (January 25, 2007).

8 The original draft amendments also included related amendments to Rule G-8, on recordkeeping, and Rule G-9, on preservation of records. The revised draft amendments described in this notice would not make any further changes to these rules.

9 One commentator preferred that the MSRB retain the current obligation of providing paper copies unless the customer consents to electronic access. Another commentator supported the concept of electronic access but expressed reservations regarding the specific nature of the electronic access system. Copies of the comment letters are

(continued . . .)

determined to publish revised draft amendments reflecting certain changes to the proposed "access equal delivery" requirements. These changes are discussed below.

Required Notice to Customers (Rule G-32(a)(iii)(B)). The original draft amendments retained the basic OS dissemination requirements for dealers selling new issue municipal securities to customers but generally would deem such requirements to have been satisfied (other than in the case of sale of municipal fund securities) since OSs would be made publicly available through the central dissemination system. The dealer would be required to provide to the customer, within two business days following trade settlement, either a copy of the OS or a written notice[10] stating that the OS is available from the central dissemination system, providing a web address where such OS may be obtained, and stating that a copy of the OS will be provided upon request.[11] The January 2007 Notice stated that this provision would require the inclusion in the customer notice of the URL assigned for the specific OS referred to in the notice, rather than to an access portal's home or search page.

Several commentators opposed the use of OS-specific URLs, instead suggesting a more general referral in the customer notice to the central access portals where investors would use a search function to locate the specific OS. One commentator stated that, if unique URLs are ultimately required, such URLs should be as short as possible and be based on characteristics, such as CUSIP number, that would allow an automated method for notifying customers of such URLs. Another commentator stated that, if specific URLs are required, the system should be designed to ensure that unique URLs do not inhibit the ability of the public to undertake searches to find OSs. A third commentator recommended that a short, generic, plain English statement comparable to the corporate reference to a registration statement under the SEC's "access equals delivery" rule be used.

The MSRB has revised the notice provision so that the dealer would be required to advise the customer as to how to obtain the OS from the central dissemination system and that a copy of the OS will be provided upon request. The MSRB would view the obligation to provide the first portion of this notice as having been presumptively fulfilled if the notice provides the URL for the specific OS or for the search page of an access portal at which such OS may be found pursuant to a search conducted through such search page. ***The MSRB seeks comment on***

(. . . continued)

available for public inspection at the MSRB website. Some of the principal comments relating to the original draft amendments are described briefly in this notice.

[10] The MSRB would view a notice provided in any form considered to be a "written communication" for purposes of Securities Act Rule 405 as meeting this requirement.

[11] Dealers could, but would not be required to, provide such notice on or with the trade confirmation. Under Rule G-15(a)(i), confirmations are required to be given or sent to customers at or prior to trade settlement.

whether this revised notice requirement is appropriate and, if not, what alternative formulations would be appropriate.

Underwriter Submissions of Official Statements for Limited Offerings (Rule G-32(b)(i)(C)). The original draft amendments would require that underwriters submit OSs to the central dissemination system for all primary offerings of municipal securities for which OSs exist without any exceptions for specific types of offerings. All OSs would be available to the public through the public access portals.

Two commentators stated that underwriters should not be required to provide OSs for issues described under Exchange Act Rule 15c2-12(d)(1)(i) ("limited offerings") for purposes of public dissemination through the public access portals. They were concerned about limited offerings that represent "private placements" where the issuer and underwriter do not intend on making a public offering and seek not to have the OS broadly disseminated. One commentator viewed a submission requirement for limited offerings as possibly creating a disincentive to producing OSs for such offerings. The other commentator suggested that, if the MSRB were to require submission of OSs for limited offerings, the MSRB could provide for access to the OS with password restriction if requested by the underwriter. Both commentators suggested permitting voluntary submissions of OSs for limited offerings.

The MSRB has determined to seek comment on a provision that would make submission of OSs for limited offerings optional. For those limited offerings in which the underwriter submits the OS to the dissemination system, the "access equals delivery" standard would fully apply and the OS would be available through the public access portals. However, the underwriter could elect to withhold submission of the OS for a limited offering if it provides the following items to the dissemination system for posting on the public access portals: (i) a certification affirming that the issue meets all of the requirements of Exchange Act Rule 15c2-12(d)(1)(i) as a limited offering; (ii) notice that the OS is not available on-line but that the underwriter will provide a copy to any customer purchasing such limited offering; and (iii) specific contact information for underwriter personnel to whom requests for copies of the OS should be made. ***The MSRB seeks comment on whether this provision is appropriate or whether such a voluntary system would result in problems either in the new issue market or in secondary market trading. Are there any alternative approaches that would be more appropriate?***

Designated Electronic Format for Document Submissions (Rule G-32(b)(vi)(A) and Rule G-32(d)(vi)). The original draft amendments would require that all documents submitted to the system be in a designated electronic format, which was defined as any electronic format for OSs and other documents that are acceptable for purposes of the central dissemination system. The revised draft amendments include a more specific definition of that term, providing that an electronic document must be in an electronic format acceptable to the MSRB, word-searchable, and must permit the document to be saved, viewed, printed and retransmitted by electronic means using software generally available for free or on a commercial basis to non-business computer users. Documents in portable document format that are word-searchable and may be

saved, viewed, printed and retransmitted by electronic means would be deemed to be in a designated electronic format. ***The MSRB seeks comment on this revised definition.***

Timing of Initiation of Submissions (Rule G-32(b)(vi)(B) and Rule G-32(d)(xii)). In the January 2007 Notice, the MSRB stated that it anticipated that the Form G-32 submission process would be initiated by the submission of the CUSIP number information and initial offering prices for each maturity shortly after the bond sale, with the OS and additional required information provided as they become available. The MSRB noted that paragraph (a)(ii)(C) of Rule G-34, on CUSIP numbers and new issue requirements, currently requires underwriters to disseminate CUSIP information by the time of the first execution of a transaction in virtually all new issues. The revised draft amendments would require underwriters to initiate the submission process by no later than the Time of First Execution, as defined in Rule G-34. ***The MSRB seeks comment on this time frame for initiating the submission process.***

*** * * * ***

Comments on the revised draft amendments should be submitted no later than December 17, 2007, and may be directed to Ernesto A. Lanza, Senior Associate General Counsel.[12] Written comments will be available for public inspection at the MSRB's public access facility and also will be posted on the MSRB web site.[13]

*** * * * ***

TEXT OF PROPOSED RULE CHANGE TO IMPLEMENT PILOT PORTAL
[Filed with the SEC – comments should be submitted to the SEC]

OS/ARD Facility – Official Statement and Advance Refunding Document system (OS/ARD) of the MUNICIPAL SECURITIES INFORMATION LIBRARY® system or MSIL® system

[No change to existing text – the following text is inserted at the end of existing text]

Pilot Portal for Internet-Based Dissemination of OS/ARD Collection

In anticipation of the expected adoption by the Board of an "access equals delivery" standard for OS dissemination under Rule G-32, on disclosures in connection with new issues,

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12 As noted above, comments on the proposed rule change should be submitted to the SEC.

13 All comments received will be made publicly available without change. Personal identifying information, such as names or e-mail addresses, will not be edited from submissions. Therefore, commentators should submit only information that they wish to make available publicly.

the Board is implementing, on a pilot basis, an Internet-based public access portal (the "pilot portal") to provide free access to OSs and ARDs submitted by underwriters to the MSIL system. Copies of all OSs and ARDs received by the Board through existing document submission processes on or after implementation of the pilot portal will be made available to the public as PDF files for viewing, printing and downloading at the pilot portal promptly after acceptance and processing, and will remain publicly available for the life of the municipal securities. It is anticipated that OSs and ARDs submitted to the Board prior to implementation of the pilot portal also will become available through the pilot portal or the permanent system described below as such back-log collection is migrated to the pilot portal or permanent system platform. OSs and ARDs will continue to be available under current terms through the daily and back-log collections produced by the MSIL system and at the public access facility throughout the service life of the pilot portal.

The pilot portal will provide on-line search functions utilizing the MSIL system computer index to ensure that users of the pilot portal are able to readily identify and access documents that relate to specific municipal securities. Basic identifying information available from the MSIL system relating to specific municipal securities and/or specific issues will accompany the display of OSs and ARDs to help ensure that users have successfully accessed the materials they are seeking. It is anticipated that additional information relating to such municipal securities and/or issues available from other Board systems (including but not limited to the Board's Real-Time Transaction Reporting System) also may be made available to users in conjunction with OSs and ARDs accessed through the pilot portal.

The pilot portal is expected to operate for a limited period of time as the Board transitions to a permanent integrated system of electronic submissions of disclosure documents to the Board and real-time availability of such documents through a full-function public portal. The permanent system (which will be the subject of a subsequent filing by the Board) will become operational simultaneously with the effective date for the Board's proposed "access equals delivery" standard for OS dissemination under Rule G-32. At that time, the functions of the pilot portal, along with other key features of the current MSIL system and additional functional improvements (including but not limited to establishment of real-time subscriptions to the complete document collections processed through the permanent system), will be incorporated into the permanent system. The permanent system is expected to replace the MSIL system once this transition is completed and all critical functions and information stores (including but not limited to the complete OS/ARD back-log collection) of the MSIL system have been transferred to the new permanent system or are able to be handled by other Board processes.

*** * * * ***

TEXT OF REVISED DRAFT AMENDMENTS TO RULE G-32
[Comments should be submitted to the MSRB]

Rule G-32. New Issue Disclosure Practices[14]

(a) **Dealer Disclosures to New Issue Customers.**

(i)-(ii) No additional changes.

(iii) Any dealer that sells any new issue municipal securities to a customer with respect to which the delivery obligation under subsection (a)(i) of this rule is deemed satisfied pursuant to subsection (a)(ii) of this rule shall provide to the customer, by no later than two business days following the settlement of such transaction, either:

(A) No additional changes.

(B) a notice **advising the customer as to how to obtain** ~~**to the effect that**~~ the official statement ~~**is available**~~ from the MSIL/Access system and that a copy of the official statement will be provided upon request~~**, which notice shall include the uniform resource locator (URL) where the official statement may be obtained**~~.

If a dealer provides notice to a customer pursuant to paragraph (a)(iii)(B), such dealer shall, upon request from the customer, promptly send a copy of the official statement to the customer.

(iv)-(v) No additional changes.

(b) **Underwriter Submissions to MSIL/Access system.**

(i) **Official Statements and Preliminary Official Statements.**

(A) Subject to paragraph**s** (B) **and (C)** of this subsection (i), each underwriter in a primary offering of new issue municipal securities shall submit the official statement to the MSIL/Access system within one business day after receipt of the official statement from the issuer or its designated agent, but by no later than the closing date.

(B) No additional changes.

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[14] Underlining indicates additions to, and strikethrough indicates deletions from, the original draft amendments to Rule G-32 as published in the January 2007 Notice. No additional changes to the draft amendments to Rules G-36, G-8 and G-9 as published in the January 2007 Notice have been made.

(C) Notwithstanding paragraphs (A) and (B) of this subsection, the underwriter in a primary offering of new issue municipal securities not subject to Securities Exchange Act Rule 15c2-12 by virtue of paragraph (d)(1)(i) thereof for which an official statement has been prepared shall not be required to submit the official statement to the MSIL/Access system if:

(1) the underwriter submits to the MSIL/Access system:

(a) the information required under subparagraph (b)(vi)(A)(1) of this rule with respect to such primary offering within the timeframes set forth therein;

(b) by no later than the closing date:

(i) a certification to the effect that all of the municipal securities in such primary offering are in authorized denominations of $100,000 or more and have been sold to no more than 35 persons each of whom the underwriter reasonably believes has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and is not purchasing for more than one account or with a view to distributing the securities;

(ii) notice that an official statement has been prepared but has not been made available through the MSIL/Access system and that the underwriter will provide the official statement to all customers purchasing the new issue municipal securities from the underwriter or from any other dealer upon request; and

(iii) contact information, including mailing address, telephone number and e-mail address and the name of an associated person of the underwriter, for making requests for the official statement; and

(2) the underwriter delivers the official statement to each customer purchasing the new issue municipal securities from the underwriter or from any other dealer upon request, by the later of one business day after request or the settlement of the customer's transaction.

(ii)-(v) No additional changes.

(vi) **Submission Procedures and Form G-32 Information.**

(A) All submissions required under this rule shall be made by means of Form G-32 ~~**and shall be**~~ submitted electronically **to the MSIL/Access system** in such format and manner~~**, and shall include such information,**~~ as specified **herein and** in the Form G-32 Manual. **All official statements, preliminary official statements, advance refunding documents and amendments thereto submitted to the MSIL/Access system under this rule shall be in a designated electronic format.**

(B) The underwriter in any primary offering of municipal securities for which a document or information is required to be submitted to the MSIL/Access system under this section (b) shall initiate such submission by no later than the Time of First Execution by providing such information as specified in the Form G-32 Manual.

(C) ~~**(B)**~~ Form G-32 and any related documents shall be submitted by the underwriter or by any submission agent designated by the underwriter pursuant to procedures set forth in the Form G-32 Manual. The failure of a submission agent designated by an underwriter to comply with any requirement of this rule shall be considered a failure by such underwriter to so comply.

(c) No additional changes.

(d) **Definitions**. For purposes of this rule, the following terms have the following meanings:

(i)-(v) No additional changes.

(vi) The term "designated electronic format" shall mean **the computerized** ~~**an electronic**~~ format **of a word-searchable document** designated in the current Form G-32 Manual as an acceptable electronic format for submission or preparation of documents pursuant to section (b) or (c) of this rule **that permits such document to be saved, viewed, printed and retransmitted by electronic means using software generally available at the time such document is provided under this rule for free or on a commercial basis to non-business computer users. Documents in portable document format that are word-searchable and may be saved, viewed, printed and retransmitted by electronic means shall be deemed to be in a designated electronic format for purposes of this rule.**

(vii)-(xi) No additional changes.

(xii) The term "Time of First Execution" shall have the meaning set forth in Rule G-34(a)(ii)(C)(1)(b).

Alphabetical List of Comment Letters on MSRB Notice 2007-33 (November 15, 2007) and SR-MSRB-2007-06, as Amended (November 15, 2007)

1. DPC DATA Inc.: Comment from Peter J. Schmitt, CEO, dated January 23, 2008
2. EDGAR Online, Inc.: Letter from Philip Moyer, CEO, dated December 17, 2007
3. Government Finance Officers Association: Letter from Frank R. Hoadley, Chairman, GFOA Governmental Debt Committee, dated December 20, 2007
4. National Association of Bond Lawyers: Letter from J. Foster Clark, President, dated December 17, 2007
5. R.W. Smith & Associates, Inc.: Letter from S. Lauren Heyne, Chief Compliance Officer, dated December 17, 2007
6. Securities Industry and Financial Markets Association: Letter from Leslie M. Norwood, Managing Director and Associate General Counsel, dated December 14, 2007

Subject: File No. SR-MSRB-2007-06
From: Peter J Schmitt
Affiliation: CEO, DPC DATA Inc.

January 23, 2008

DPC DATA Inc. is pleased to have this opportunity to offer comments and views regarding the notice of filing of a proposed rule change relating to an amendment to the Municipal Securities Rulemaking Boards (MSRB) Municipal Securities Information Library (MISL) system to establish a pilot system for consolidated dissemination of disclosure documents and related information through an Internet-based public access portal.

DPC DATA Inc. is an SEC-designated Nationally Recognized Municipal Securities Information Repository (NRMSIR), and has served the municipal securities market as a clearinghouse for primary and secondary market disclosure documents and data since 1997. Unlike the three other firms that enjoy the SEC designation as NRMSIRs, our firm has made its municipal disclosure archive, the largest and most comprehensive archive available to the general public for unrestricted access, fully accessible on the Web since 1999.

As a government-designated disclosure utility and vendor of critical disclosure documents and data to the market, we have interest, both ethical and commercial, in the technological and political developments that alter the ways in which municipalities, investors and other interested parties interact in the municipal securities market. Our firm generally embraces any advance that makes better use of information technologies for the purpose of increasing access and transparency of disclosure. For these reasons, we are in support of the broad concept of Access Equals Delivery as a matter of general market efficiency.

It is our opinion, however, that the MSRB's plans for its proposed MISL-based Web portal go well beyond its organizational mandate as stated in section 15B(b)(2)(C) of the 1934 Act. If the existing prototype and stated plans are an indication, the MSRB will not only be assuming the role of the Access Equals Delivery venue for the municipal marketplace, but will go much further, breaking new ground in providing enhanced services to the market by a capital markets regulatory body. This also would be an apparent violation of the SEC's long-held public policy that the MSRB should not compete with vendors in offering value-added features and services related to handling of disclosure documents.

To wit, the MSRB's sample pilot portal at http://www.msrb.org/msrb1/accessportal/SampleComprehensiveDisclosureDisplay.htm provides a glimpse of specific value-added features the MSRB intends to offer the public free of charge. Among these are nine-digit CUSIP searches, hyperlinks to bond issuers Web sites, an 'alerts' service to users of the portal, sophisticated document viewing options, links to other related documents in the portals disclosure archive, and subsequent event notifications that equate to custom research.

These features and capabilities are well in excess of the system that the MSRB has pointed to as its model, the SEC's own EDGAR. EDGAR is designed to enhance timely access and transparency, and it accomplishes its mission without value-added services. If EDGAR serves as the template for the MSRBs proposed Access Equals

Delivery portal, why are the value-added features and services not being left to the competitive forces of the market?

Similarly, the MSRB's stated intention to commingle primary market disclosure documents and information, secondary market documents and disclosure information, and secondary market trade history data in a single, comprehensive display for direct public consumption breaks new ground among regulatory bodies in terms of value-added content available to the public at no charge. There is precedent of other Self-Regulatory Organizations (SROs) offering such sophisticated value-added information to the market, but only on a fee basis.

It is our belief that the features that distinguish the municipal securities market from other domestic securities markets do not warrant such different treatment on the MSRB's proposed Web portal, unless the intention is to displace various vendor products and services that already are offered in a competitive market environment. Vendors such as our firm have invested many millions of dollars to offer value-added services to the market over the years, largely in reliance on the SEC's public statements that it is not in favor of the MSRB competing directly with vendors. We take note that the MSRB does acknowledge that its plans for the portal will negatively impact commercial interests. However, as the only NRMSIR that has provided such services on an unrestricted basis to the market over the Web for many years, we respectfully disagree with the prediction of the MSRB that it would not create an unequal burden among such enterprises

The MSRB's statement that it is prepared to assume the role of secondary market disclosure clearinghouse at the moment that the SEC amends Rule 15c2-12 to terminate the NRMSIRs, while not a substantive issue for the proposed rule change at hand, is worthy of closer scrutiny because of the greater implications for the market. There are no insurmountable technological hurdles for the MSRB to clear in order to provide this service, but there are higher concepts that many market participants might not want to trade away so cheaply.

However imperfect the current secondary market disclosure system created by the 1994 amendment to SEC Rule 15c2-12 may be, by interposing private vendors (i.e., the NRMSIRs) between the SEC and municipal issuers and others who file their secondary market disclosures pursuant to the Rule, the SEC was able to further the cause of secondary market disclosure in the municipal market while avoiding difficulties under the Tower Amendment to the 1934 Act. Specifically, the SEC was able to avoid actual possession and control of the filings.

Since the MSRB owes its existence to Congress and the SEC, and since the SEC has ultimate control over the MSRB through its rule-making authority, a reasonable person would conclude that the MSRB is, in fact, a creature of the SEC. If the SEC does further amend Rule 15c2-12 to turn the MSRB into the municipal markets sole disclosure filing venue for municipal issuers and obligated persons, we believe it moves closer to the Tower Amendment danger zone that the wise authors of the 1994 amendment to Rule 15c2-12 sought to avoid.

It is apparent that, by providing value-added content and features on its proposed Web portal, the MRSB will not only effectively take over the business of providing value-added content to commercial firms, but it will fund this activity with fees collected from broker/dealers. This is remarkably similar to our business model, which

was designed by the SEC for the NRMSIRs and embodied in Rule 15c2-12. It also runs contrary to longstanding SEC policies regarding MSRB competition with vendors.

Because we are in the business of collecting and disseminating disclosure materials, and because we support the concept of making disclosure documentation more easily and universally available, we have suggested in the past that a cheaper, more immediate solution has always been at hand. This solution has neither been acknowledged nor embraced by any regulatory body associated with the municipal securities market, but we repeat it here as a matter of good will to the industry. That is, in exchange for a modest annual subsidy, we know that at least one NRMSIR would be willing to make all of its disclosure archives available for free to the public over the Web in PDF format or any other format that may evolve into a new, broadly accepted standard format in the future. That NRMSIR would submit to oversight of this activity by a regulatory body.

This solution would require no rule amendment or new rulemaking. It would be a logical, painless and efficient step for the market if providing access to disclosure documents at no charge is the ultimate goal. Virtually all the features and capabilities that the MSRB intends to provide already exist on one or more commercial Web sites.

In conclusion, DPC DATA Inc. urges the Commission to support the MSRB's proposed rule change that will promote Access Equals Delivery in the municipal securities market, but restrain the MSRB from offering value-added content and features that will necessarily inflict economic harm on existing data vendors, and inflict the harm unevenly.

EDGAR Online

122 E. 42nd Street, Suite 2400, New York, NY 10168

December 17, 2007

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: File No. SR-MSRB-2007-06 Draft Amendments to MSRB Rule G-32, on disclosures in connection with new issues, to establish an "access equals delivery" standard for OS dissemination of new issue of municipal securities market, based on the "access equals delivery" rule for prospectus delivery for registered securities offerings adopted by the SEC in 2005.

Dear Mr. Lanza:

EDGAR Online, Inc. [NASDAQ: EDGR]is pleased to comment on revised draft amendments to Rule G-32, on disclosures in connection with new issues, to establish an "access equals delivery" standard for OS dissemination in the new issue municipal securities market, based on the "access equals delivery" rule for prospectus delivery for registered securities offerings adopted by the SEC in 2005.

Overview:

We note that EDGAR Online, Inc. strongly supports the proposed rule change that would establish a pilot of an Internet-based public access portal providing free and unrestricted access to OSs and ARDs received by the MSRB under Rule G-36 with respect to the possible implementation of an equal delivery standard for new issue municipal securities. We believe that the current model of four Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) severely limits innovation and access to these important disclosures. The current model locks up public documents in private hands while the proposed portal run by a public entity will encourage transparency in the municipal securities market and create a healthy ecosystem of information that will ultimately benefit both the investment community and the municipalities that seek access to public markets.

Challenge:

The Internet has allowed important investment information to be distributed to more people in more personalized ways than ever before. EDGAR Online was the first company to take SEC filings onto the Internet back in 1996. Before this change, only a few large organizations were able to locate and decipher SEC corporate filings. The process of accessing these documents was time consuming and controlled by a small group of organizations that had the resources to parse large numbers of documents, and manage relationships with the SEC and the companies issuing filings. Today there is a thriving ecosystem that provides access to corporate filings to tens of millions of people every year – through thousands of internet sites, personalized tools and

unique information providers – most of this access is free and within hours of a company filing a report. This ecosystem has helped investors to become more savvy and more demanding in the transparency they expect. Investors come to the Municipal Securities market with similarly high expectations for transparency and personalized access to information. Unfortunately, the same transformation in access to information has not yet occurred in the Municipal securities market. In spite of a great deal of work by the Municipal Issuers on their disclosures – a small group of companies control access for the entire market to the documents that are supposed to be public. These companies require investors to come to their web site, use their tools, pay their set prices and adhere to their rigid rules for use and access to public disclosure documents. These organizations also allow for limited redistribution by other information providers. As a result, it has been difficult for an ecosystem of information and disclosure to blossom in the Municipal Securities market. The public documents that the Municipals work so hard to create have essentially become private property and are accessible by a few with the resources necessary to manage relationships with NRMSIRs and municipalities.

Ultimately, investors and the municipalities pay the price for this lack of a viable information ecosystem. The rigid control of public information dissuades other information providers from trying to enter or innovate for this market. This means that there are few people working on improving ease of use, depth of analysis, thoroughness of information or more effective means of delivery. Compounding the problem is the sheer volume of information. The common investor faces the task of sorting through millions of documents themselves or paying high prices for limited information. Simply put, investors are vastly underserved and put at risk by an inefficient information ecosystem.

Municipals pay an equally high price for this ineffective information supply chain. They spend time and money trying to get information across in disclosures. Because there are only a few information providers in the market, there is little innovation occurring to help them in the filing process. Even more concerning is the fact that Municipals are having a difficult time getting their message across when they do report. The process of managing these documents consumes most of the resources of these few information providers and the time of investors. As a result, the information contained in these documents - risks and opportunities- are usually lost because there are few sources of good comparability and data. Municipals open themselves up to claims of inadequate disclosure or misguidance because there is not a good feedback loop established around their disclosures.

The push for more timely, accurate and thorough disclosures must become a common goal embraced by all municipal market participants as well as the entire fixed-income industry. We understand that the challenge remains to determine how to effectuate these changes through working with industry participants to find a common global information language framework and a common disclosure platform. EDGAR Online strongly believes that the SEC should step in and build a system of document disclosure similar to the EDGAR system for other SEC filings types.

EDGAR Online, Inc.

EDGAR Online has extended knowledge of the challenges described above. As mentioned, EDGAR Online was the first company to put SEC filings on the internet. Over time EDGAR

Online has become the industry leader for public dissemination of regulatory filings, having built the world's most sophisticated multi-format document and data processing, storage and delivery system encompassing structured (XBRL, XML) and unstructured formats (text, HTML, PDF).

Recommendations:
The SEC should build a publicly accessible storage and dissemination system for all Municipal Filings. They should start by simply defining acceptable formats for documents and leverage a common numbering scheme for the documents that coordinates back to the CUSIP ID. The SEC should assign unique login IDs that are assigned to either filing agents or issuers. Filers should be able to upload documents to a secure site using any web browser after filing out a simple form capturing the following elements:

- CUSIP
- Date of Issue
- Issuer
- Issuer State
- Original Par Amount
- Type of Bond
- Type of Security
- Description of Issuer (1 – 2 Paragraphs)
- Description of Use of Proceeds (1-2 Paragraphs)
- Description of Bond Security (1-2 Paragraphs)

The documents and associated data should be accessible via a free public web site using a browser to access issues individually, or available via an RSS or FTP feed to access in bulk. For the web site, the SEC should build a simple front end that allows a user to search and retrieve individual issues using any or all of the below search criteria:

- CUSIP
- Date of Issue
- Issuer
- Issuer State
- Original Par Amount
- Type of Bond
- Full Text Search

EDGAR Online would be happy to provide assistance in the creation of this collection and distribution system. We would be pleased to serve on an advisory board or simply spend time with the technology team explaining our opinions on the easiest, most cost effective, most secure way to accomplish the ideas above. Our goal is to continue our long heritage of making the complex web of financial reporting easy, accessible and open to the entire investing community. We believe that when there is a thriving ecosystem of information in a market investors are better equipped, issuers are more effective in their communication and information providers are rewarded for innovation.

We hope you find EDGAR Online's comments helpful, and if you have any questions please contact me at our corporate offices 212-457-8200.

Sincerely,

Philip Moyer
CEO

Cc: Martha Haines - Haines.m@sec.gov

Government Finance Officers Association
1301 Pennsylvania Avenue, NW Suite 309
Washington, D.C. 20004
202.393.8020 *fax*: 202.393-0780

December 20, 2007

Mr. Ernie Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

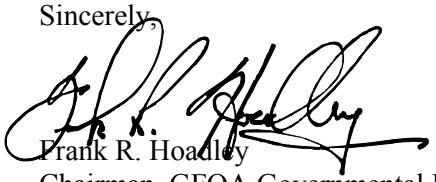
Dear Ernie:

On behalf of the GFOA's Governmental Debt Management Committee, we wish to thank you for the opportunity to comment on MSRB Notice 2007-33. We compliment the MSRB on its work to date on this project and support its efforts to create a system that works well for all participants in the marketplace.

With regard to the proposal that submissions to the MSIL/Access system under proposed Rule G-32 (b) should be in a designated format that will provide a word searchable document, we strongly encourage standardization on the PDF format. Contrary to some beliefs that the software that produces word searchable documents is limited in its availability, it is our observation that such software is already widely used by those who produce such documents and is not limited to financial printing houses or other specialists. (Such a production task does require a version of the software beyond Acrobat Reader, such as Acrobat Elements or Acrobat Professional.) Acrobat Professional, in fact easily converts older "scanned" PDF files into a word searchable form. Future success of this system requires that it start with the best technology available and its ongoing challenge will be to keep up with changing technology while allowing backwards compatibility and conversion.

We look forward to discussing this issue with you in the future, and appreciate your attention to these comments.

Sincerely,



Frank R. Hoadley
Chairman, GFOA Governmental Debt Committee

National Association
of Bond Lawyers

PHONE 202-682-1498
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601 Thirteenth Street, N.W.
Suite 800 South
Washington, D.C. 20005

December 17, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: **MSRB Notice 2007-33 (November 15, 2007)**
MSRB Files Pilot Portal for On-Line Dissemination of Official Statements and Related Information and Seeks Comments on Revised Draft Amendments to Establish an "Access Equals Delivery" Standard Under Rule G-32

Dear Mr. Lanza:

The National Association of Bond Lawyers ("NABL") respectfully submits the enclosed response to the Municipal Securities Rulemaking Board ("MSRB") solicitation of comments on MSRB Notice 2007-33, dated November 15, 2007 (the "Notice"), regarding a pilot portal for on-line dissemination of Official Statements and related information and for proposed revised draft amendments to MSRB Rule G-32. The comments were prepared by an *ad hoc* subcommittee of NABL's Securities Law and Disclosure Committee, as listed in Exhibit I.

In the Notice, the MSRB requests specific comments regarding its proposed draft amendments, and NABL has provided comments in response to certain of these requests. As indicated in earlier comments NABL submitted with respect to MSRB Notice 2007-05, NABL has not and does not expect to offer comments regarding the most desirable technical features of any new electronic filing system. As previously stated in such comments, NABL strongly supports the concept of "access equals delivery" that is embodied in the proposed draft amendments. Moreover, NABL thanks the MSRB for addressing many of NABL's concerns set forth in that document.

National Association of Bond Lawyers

NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance. A professional association incorporated in 1979, NABL has approximately 3,000 members and is headquartered in Chicago.

If you have any questions concerning the comments, please feel free to contact me at 205/226-3482 (fclark@balch.com) or Elizabeth Wagner, Director of Governmental Affairs at 202/682-1498 (ewagner@nabl.org)

Thank you in advance for your consideration of these comments with respect to this important development in the municipal securities industry.

Sincerely,

J. Foster Clark

Enclosures

cc: Teri M. Guarnaccia
William L. Hirata
Andrew Kintzinger
John M. McNally
Jeffrey C. Nave
Walter J. St. Onge III
Fredric A. Weber
Elizabeth Wagner

National Association *of* Bond Lawyers

COMMENTS
OF THE
NATIONAL ASSOCIATION OF BOND LAWYERS
REGARDING
MSRB NOTICE 2007-33

MSRB FILES PILOT PORTAL FOR ON-LINE DISSEMINATION OF OFFICIAL STATEMENTS AND RELATED INFORMATION AND SEEKS COMMENTS ON REVISED DRAFT AMENDMENTS TO ESTABLISH AN "ACCESS EQUALS DELIVERY" STANDARD UNDER RULE G-32

The following comments are submitted to the Municipal Securities Rulemaking Board ("MSRB") on behalf of the National Association of Bond Lawyers ("NABL") relating to the MSRB Notice 2007-33 — MSRB Files Pilot Portal for On-Line Dissemination of Official Statements and Related Information and Seeks Comments on Revised Draft Amendments to Establish an "Access Equals Delivery" Standard Under Rule G-32, dated November 15, 2007 (the "Notice"). The comments were prepared by an *ad hoc* subcommittee of the NABL Securities Law and Disclosure Committee, as listed in Exhibit I.

The Notice is a follow-up to the MSRB Notice 2007-05 — MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statements, dated January 25, 2007, to which NABL submitted comments on March 12, 2007 (the "Prior NABL Comments"). NABL commends the MSRB's efforts in establishing an Access Equals Delivery Standard and thanks the MSRB for addressing many of NABL's concerns set forth in the Prior NABL Comments. NABL also appreciates this opportunity to further respond to the MSRB's continuing initiative to develop an electronic system for dissemination of municipal securities disclosure documents and focuses its comments on those particular questions to which it believes it has relevant expertise. The headings shown below correspond to the MSRB's requests in the Notice.

Is the revised notice requirement (requiring dealers to advise customers as to how to obtain Official Statements from the central dissemination system and that a copy of the Official Statement will be provided upon request) appropriate and, if not, what alternative formulations would be appropriate?

In the Notice, the MSRB states that it "would view the obligation to provide the first portion of the notice [advising the customer how to obtain the Official Statement ("OS") from the central dissemination system] as having been presumptively fulfilled if the notice provides the URL for the specific OS or for the search page of an access portal at which such OS may be found pursuant to a search conducted through such search page." NABL recommends that, if a notice were to provide a search page of an access portal in lieu of an OS-specific URL, such notice also include the appropriate data entry, if any is needed, to navigate from the search page to the OS sought.

Is the provision (making submission of limited offerings optional) appropriate or would such a voluntary system result in problems either in the new issue market or in secondary market trading? Are there any alternative approaches that would be more appropriate?

The exception set forth in proposed Rule G-32 (b)(i)(C) addresses NABL's concerns expressed in the NABL Prior Comments. NABL recommends that the MSRB make available a model form incorporating the requirements set forth in proposed Rule G-32 (b)(i)(C)(1)(b).

Is the revised definition of the term, "designated electronic format," appropriate?

NABL questions whether the software which creates word-searchable PDF documents is as widely available as the proposed Rule G-32 (b)(vi) assumes. For example, although the financial printing companies which prepare and disseminate preliminary and final OSs presumably will have this capability, the parties responsible for preparing escrow agreements in connection with refundings may not. Also, because NABL has recommended that the MSIL/Access system become the repository for voluntarily submitted OSs which predate the operational date of the pilot portal, NABL is concerned that if submissions were required to be in a format which meets the proposed definition of "designated electronic format," many OSs which are not already in designated electronic format would not be submitted.

NABL recommends, therefore, that the phrase, "of a word-searchable document" in proposed Rule G-32 (b) be deleted at this time. At a subsequent date, the Form G-32 Manual could be amended to specify which word-searchable electronic formats are acceptable.

Is the time frame for initiating the Form G-32 submission process appropriate?

NABL defers to others any comments on whether the time frame is appropriate, but notes that the proposed definition of "Time of First Execution" refers to a definition included in the proposed changes to Rule G-34 set forth in the MSRB Notice 2007-10 (March 5, 2007). NABL is not sure of the timing of the adoption of the proposed changes to Rule G-34, but simply queries whether the proposed amendments to Rule G-34 will precede those to Rule G-32.

National Association *of* Bond Lawyers

EXHIBIT I

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RW SMITH & ASSOCIATES, INC.

December 17, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2007-33: Draft Rule Changes to Establish an Electronic Access System for Official Statements

Sent Via E-Mail

Dear Mr. Lanza:

I am writing on behalf of R.W. Smith & Associates, Inc. to inform you that we participated in the SIFMA letter regarding MSRB Notice 2007-33 and fully support the comments expressed in that letter.

Thank you for your time.

Sincerely,

S. Lauren Heyne

S. Lauren Heyne
Chief Compliance Officer

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Arizona California Florida Illinois New Jersey New York Utah Washington

SIFMA
Securities Industry and Financial Markets Association

December 14, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2007-33: Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

The Securities Industry and Financial Markets Association ("Association")[1] appreciates this opportunity to respond to Notice 2007-33 issued by the Municipal Securities Rulemaking Board ("MSRB") on November 5, 2007 ("Notice") in which the MSRB requests comment on revised draft rule changes to apply the "access equals delivery" standard to official statement dissemination for new issue municipal securities. The Notice proposes amendments to the original proposed amendments of MSRB Rule G-32 and Rule G-36 as set forth in a notice for comment published on January 25, 2007 ("January 2007 Notice").

The Association fully supports the development by the MSRB of a pilot portal as an internet-based public access portal, to provide free access to official statements and advance refunding documents, for a limited period of time in anticipation of a permanent system. The Association further supports the MSRB's expression of willingness to expand the permanent system to accommodate secondary market disclosure in the event the Securities and Exchange Commission ("SEC") makes appropriate revisions to SEC Rule 15c2-12. We would encourage the SEC to amend Rule 15c2-12 to provide for a centralized electronic submission and dissemination model. The Association additionally requests that the MSRB design the permanent system to accommodate optional submission of preliminary official statements with the controls recommended by the Association in its comment letter on the January 2007 Notice.

Required Notice to Customers

[1] The Association, or "SIFMA," brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

The MSRB seeks comment on proposed amendments to the form of notice to the customer, which, under the January 2007 Notice, would have required that, within two business days following trade settlement, the dealer deliver to a customer, either (A) a copy of the official statement, or (B) a notice to the effect that (i) the official statement is available from the MSIL-Access system, and that (ii) a copy of the official statement will be provided upon request, which notice (iii) shall include the URL where the specific official statement may be obtained.

The Notice proposes that (i) and (iii) be combined into "a notice advising the customer as to how to obtain the official statement from the MSIL-Access system."

In practice, dealers expect that the "access equals delivery" notice for municipal securities will appear on the confirmation, comparably to corporate securities. The technology for preparing a confirmation is such that any additional language to the front of the confirmation is highly problematic and should be both short and generic. Any requirement that necessitates a revision for each new issue of municipal securities would not be technologically feasible. We expect that generic language will be printed on the front of both the initial confirmation and the payment confirmation. The final official statement will often not be filed before delivery of the initial confirmation and may not be available before the payment confirmation, if the payment confirmation is sent before closing. The final official statement must be filed under the proposed rule no later than the closing, and, therefore, before settlement. A generic notice on both the initial and payment confirmation that states the final official statement will be available for access at MSIL-Access at or before the settlement date would, therefore, necessarily be accurate.

The notice should be a standardized reference to the MSIL-Access system, and the system should be user friendly to guide the customer to the official statement. For example, the following illustration should be sufficient.

> "Official statement can be accessed at http://www.MSIL-Access.com at or before the date of settlement. Printed copies will be provided upon request."

The Association requests the MSRB to acknowledge that its proposed phrase "a notice advising the customer as to how to obtain the official statement from the MSIL-Access system," would be satisfied by generic language as illustrated above.

Underwriter Submissions of Official Statements for Limited Offerings

The MSRB requests comment on proposed amendments to the January 2007 Notice with respect to requirements for filing an official statement in connection with a limited offering that is exempt under section (d)(1)(i) of Rule 15c2-12. The proposed amendments would not require filing any official statement with MSIL-Access for such limited offering if the underwriter files with MSIL-Access (i) a certificate stating the application of the limited offering exemption (comparable to the statement presently on Form G-36), (ii) notice that an official statement has been prepared, but not filed, and is available to customers upon request, and (iii) contact information for making official statement requests.

The Association supports the proposed amendments to the January 2007 Notice in connection with limited offerings.

The Association notes that the MSRB has not addressed comment letters that suggested "commercial paper" should be excluded from the definition of "new issue municipal securities." The Association continues to believe commercial paper should be addressed for the reasons stated in its comment letter to the January 2007 Notice. The new Rule G-32, based on the combined proposals of the January 2007 Notice and the Notice, does not have the clarification contained in current Rule G-36 that a single filing is sufficient and that each rollover will not require filing a notice that no official statement is being prepared for the new rollover offering. An obligation to file a notice with each rollover would include a requirement to file a Form G-32 with each rollover. If the MSRB determines that commercial paper should be included in the rule for "access equals delivery," the filing aspect of the rule should be clarified. The filing obligation should be comparable to current Rule G-36. The Association believes that the proper interpretation of proposed Rule G-32 is that a single filing is sufficient (until there is an amendment), but we recommend that the issue be addressed in a subsequent notice related to the rule.

Designated Electronic Format for Document Submissions

The MSRB seeks comment on revised draft amendments in the Notice to provide a more specific definition of the term "designated electronic format" to require that the document be word-searchable and in an electronic form that permits the document to be saved, viewed, printed and retransmitted by electronic means. The definition states that portable document format (PDF) would be acceptable and that the format is to be designated in the current Form G-32 Manual. We interpret this definition to provide the MSRB flexibility to revise the parameters as new technology develops by changes to the Form G-32 Manual.

The Association supports the revised draft amendments to the definition of "designated electronic format."

The Association recognizes that the MSRB does not have jurisdiction over issuers, and that the burden is necessarily placed on the underwriters to convert the issuer's format (sometimes different formats for different parts of the official statement) into the "designated electronic format" under the proposed rule. It is important to note that even though some portions of official statements, despite being provided by the issuer or other party in the designated electronic format, may still not be word searchable. For example, some PDF documents are unsearchable images. Any effort that can be made by the MSRB or the SEC to encourage issuers to conform their official statements and advance refunding documents to the MSRB searchable "designated electronic format" standard will be appreciated by the Association.

Timing of Initiation of Submissions

The MSRB seeks comment on the revised draft amendments, which provide that in any primary offering of municipal securities involving a filing to MSIL-Access, the underwriter shall initiate the submission by providing the information specified in the Form G-32 Manual no later than the Time of First Execution. Presumably, this information would consist of CUSIP numbers and offering prices, but additional information could be required in the Form G-32 Manual as straight-through processing technology develops. The Association expects to support submissions based on straight-through processing, but we reiterate our comment to the January 2007 Notice that requirements to transmit information at or about the time of signing the bond purchase agreement should be timed to coordinate with successful testing of the DTCC New Information Dissemination Service.

We do not believe that a rule change that is dependent on the DTCC New Information Dissemination Service is necessary for the successful testing of the pilot portal. The Association, therefore, recommends that this part of the proposed amendments be delayed until the DTCC system has itself been tested, and broker-dealers have had the opportunity to develop the technology for straight-through processing.

Thank you for your consideration of our comments. If you have any questions concerning these comments, or would like to discuss these comments further, please feel free to contact the undersigned at 212.313.1130 or via email at lnorwood@sifma.org.

Respectfully submitted,

Leslie M. Norwood
Managing Director and
Associate General Counsel

cc: Lynnette Hotchkiss, Esq., Municipal Securities Rulemaking Board
Diane Klinke, Esq., Municipal Securities Rulemaking Board

Securities Industry and Financial Markets Association
Municipal Executive Committee
Municipal Legal Advisory Committee
Municipal Syndicate & Trading Committee
Municipal Operations Committee
Municipal Credit Research, Strategy and Analysis Committee

MSRB Notice 2007-5
(January 25, 2007)

MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statements

The Municipal Securities Rulemaking Board (the "MSRB") is seeking comment on draft rule changes to implement an electronic system for access to primary market disclosure in the municipal securities market. This new electronic system, to be known as the "MSIL/Access system," would build on the MSRB's existing Municipal Securities Information Library ("MSIL") system to provide Internet-based access to official statements ("OSs") and certain other documents and related information. The immediate access to OSs for new issue customers provided through the electronic MSIL/Access system would permit significantly faster access to critical disclosure information than under the current dissemination system based historically on the physical movement of OSs by and among brokers, dealers and municipal securities dealers ("dealers") and to customers. The MSIL/Access system would be modeled in part on the "access equals delivery" rule for prospectus delivery for registered securities offerings adopted by the Securities and Exchange Commission (the "SEC") in 2005.[1]

OVERVIEW OF THE MSIL/ACCESS SYSTEM

The MSIL/Access system would consist of two basic elements: (i) the MSRB's existing MSIL system, which would serve as the central collection facility through which dealers acting as underwriters, primary distributors, placement agents or remarketing agents (collectively referred to as "underwriters") would submit OSs and certain other related documents and information to the MSIL/Access system in electronic form for virtually all primary offerings of municipal securities; and (ii) one or more Internet-based central access facilities (the "MSIL/Access portals") through which investors, dealers and other market participants would obtain OSs and such other materials.

Once the MSIL/Access system is implemented, OSs would be freely accessible by new issue customers and other market participants through the on-line MSIL/Access portals. By virtue of such access through the MSIL/Access system, the existing obligation of dealers to deliver OSs directly to customers under current Rule G-32, on disclosures in connection with

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[1] *See* Securities Act Release No. 8591 (July 19, 2005), 70 FR 44722 (August 3, 2005). The draft rule changes would incorporate (with modifications adapted to the specific characteristics of the municipal securities market) many of the key "access equals delivery" provisions in Securities Act Rule 172, on delivery of prospectus, Rule 173, on notice of registration, and Rule 174, on delivery of prospectus by dealers and exemptions under Section 4(3) of the Securities Act of 1933, as amended (the "Securities Act").

new issues, would be deemed satisfied in connection with the sale of new issue municipal securities, other than interests in 529 college savings plans and other municipal fund securities. A dealer selling new issue municipal securities would be required to provide to a purchasing customer, by no later than two business days after trade settlement, either a copy of the OS or written notice that the OS may be accessed through the MSIL/Access system and that a copy of the OS will be provided to the customer by the dealer upon request. Dealers selling municipal fund securities would continue to be obligated to deliver OSs to customers as under current Rule G-32.

The requirements for underwriter submission of OSs and other related documents and information to the MSRB under Rule G-36, on delivery of official statements, advance refunding documents and Forms G-36(OS) and G-36(ARD), would be consolidated into revised Rule G-32.[2] As revised, Rule G-32 would require all submissions by underwriters to the MSRB to be made electronically. All OS submissions and other related documents and information would be made available on a "real-time" basis to investors and other market participants through the MSIL/Access portals.

A central MSIL/Access portal would be established by the MSRB to provide an assured Internet-based centralized source for free access to OSs and other related documents and information in connection with all new issue municipal securities to investors, other market participants and the public. Additional MSIL/Access portals using the document collection obtained through the MSIL system could be established by other entities as parallel sources for OSs and other documents and information.

JULY 2006 CONCEPT RELEASE

In a concept release published on July 27, 2006, the MSRB sought comment on whether the establishment of an "access equals delivery" model in the municipal securities market would be appropriate and on the general parameters relating to such a model (the "Concept Release").[3] The Concept Release described a basic framework for instituting this model, noting two critical factors that would need to be put into place: all OSs must be available electronically, and such electronic OSs must be easily and freely available to the public. The Concept Release described in general terms certain modifications that could be made to existing MSRB rules to implement the "access equals delivery" model.

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[2] Current Rule G-36 would be deleted.

[3] *See* MSRB Notice 2006-19 (July 27, 2006).

The MSRB received comments from 29 industry participants,[4] who were very supportive of an "access equals delivery" model with only limited reservations.[5] Based on its review of these comments, the MSRB has determined to proceed with the initial steps of adopting an "access equals delivery" model and establishing the MSIL/Access system for OS dissemination.

DRAFT RULE AMENDMENTS TO IMPLEMENT THE MSIL/ACCESS SYSTEM

The MSRB is seeking comments on extensive revisions to the OS submission and dissemination requirements set forth in its rules in order to implement an "access equals delivery" model based on the MSIL/Access system. Specifically, current Rules G-32 and G-36 would be consolidated into a single substantially revised Rule G-32, on new issue disclosure practices, and Rule G-36 would be rescinded. Revised Rule G-32 would consist of four sections: (i) dealer disclosures to new issue customers (section (a)); (ii) underwriter submissions to the MSIL/Access system (section (b)); (iii) preparation of OSs by financial advisors (section (c)); and (iv) definitions (section (d)). The draft amendments also would include related amendments to Rule G-8, on recordkeeping, and Rule G-9, on preservation of records. These revisions are described briefly below.

Dealers are reminded that, in addition to their obligations under Rule G-32, they are required under Rule G-17, on fair practice, to provide to the customer, at or prior to the time of trade, all material facts about the transaction known by the dealer as well as material facts about the security that are reasonably accessible to the market.[6] Disclosures made after the time of trade, such as by delivery of the OS or by customer access to the OS through the MSIL/Access system at or near trade settlement, do not substitute for the required material disclosures that must be made at or prior to the time of trade pursuant to Rule G-17. In the new issue market, the preliminary official statement ("POS"), when available, often is used by dealers marketing new issues to customers and can serve as a primary vehicle for providing the required time-of-trade disclosures under Rule G-17, depending upon the accuracy and completeness of the POS as of

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4 Copies of the comment letters received by the MSRB on the Concept Release are available for public inspection at the MSRB website. Some of the principal comments are described briefly throughout this notice.

5 One commentator suggested that dealers be required to deliver both printed and electronic OSs unless the customer consents to receive only the electronic OS, while another argued that "access equals delivery" should be permitted only if actual delivery of the preliminary official statement is required. The remaining commentators supported the "access equals delivery" model.

6 *See* Rule G-17 Interpretation – Interpretive Notice Regarding Rule G-17, on Disclosure of Material Facts, March 20, 2002, *reprinted in* MSRB Rule Book.

the time of trade.[7] The MSRB has previously emphasized the importance of making material disclosures available to customers in sufficient time to make use of the information in coming to an investment decision, such as through earlier delivery of the POS.[8] The MSRB urges dealers to make POSs available to their potential customers in a timeframe that provides an adequate opportunity to make the appropriate assessments in coming to an investment decision. ***In addition, the MSRB seeks comment on whether the MSIL/Access system should provide for voluntary submissions by underwriters of POSs to be made publicly accessible through the MSIL/Access portals.***[9]

Dealer Disclosures to New Issue Customers (Rule G-32(a)). Subsection (a)(i) of revised Rule G-32 would retain the basic OS dissemination requirements for dealers selling new issue municipal securities to customers as set forth in current Rule G-32. However, under subsection (a)(ii), dealers selling new issue municipal securities, other than municipal fund securities, would be deemed to have satisfied this basic requirement for delivering OSs to customers by trade settlement, such OSs being made publicly available through the MSIL/Access system. In the case of a dealer that is the underwriter for the new issue, such satisfaction would be conditioned on the underwriter having submitted the OS (or having made a good faith and reasonable effort to submit the OS and remediating as soon as practicable any failure to make a timely submission) to the MSIL/Access system.[10] Dealers selling municipal fund securities would remain subject to the existing OS delivery requirement.

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7 Dealers should note that additional or revised material information provided to the customer subsequent to the time of trade (such as in a revised POS, the final OS or through any other means) cannot cure a failure to provide the required material information at or prior to the time of trade. However, a revised POS or other supplemental information provided to customers after delivery of the original POS but at or prior to the time of trade can be used to comply with the time-of-trade disclosure obligation under Rule G-17.

8 *See, e.g.,* MSRB Notice 2006-07 (March 31, 2006); MSRB Discussion Paper on Disclosure in the Municipal Securities Market (December 21, 2000), *published in* MSRB Reports, Vol. 21, No. 1 (May 2001); and Official Statement Deliveries Under Rules G-32 and G-36 and Exchange Act Rule 15c2-12 (July 15, 1999), *published in* MSRB Reports, Vol. 19, No. 3 (Sept. 1999).

9 The ability of the MSRB to require submission of disclosure materials prior to the bond sale is subject to Section 15B(d)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

10 These provisions are based on the provisions of sections (b) and (c) of Securities Act Rule 172 and section (h) of Securities Act Rule 174.

Under subsection (a)(iii), a dealer selling new issue municipal securities with respect to which the OS delivery obligation is deemed satisfied as described above would be required to provide to the customer, within two business days following trade settlement, either a copy of the OS or a written notice[11] stating that the OS is available from the MSIL/Access system, providing a web address where such OS may be obtained, and stating that a copy of the OS will be provided upon request.[12] In addition, if the customer requests a copy of the OS, the dealer would be required to send it promptly. Dealers would be required to honor any customer's explicit standing request for copies of OSs for all of his or her transactions with the dealer.[13]

With respect to the notice requirement, the MSRB notes (as described below) that the MSIL/Access system could be serviced by more than one MSIL/Access portal. ***The MSRB seeks comment on whether the URL included in the notice to customers should be restricted to a specific MSIL/Access portal or could be for any of the MSIL/Access portals, or whether dealers should be permitted to identify a source other than a MSIL/Access portal.***[14] Dealers would be required to include the URL assigned for the specific OS referred to in the notice, rather than to a MSIL/Access portal's home or search page. ***The MSRB seeks comment on potential technical difficulties that might result from requiring that the notice include a URL assigned to a specific OS, particularly in respect to assuring that the unique URL for each OS remains operative throughout the time such document remains publicly available. Would it be appropriate to limit the period of time during which the URL for a specific OS is required to be maintained unchanged, such that after such period the OS could be archived and be made accessible through an on-line search function at the MSIL/Access portal? What would be the appropriate period of time (beyond the end of the new issue disclosure period) for maintaining such URLs unchanged prior to permitting OSs to be moved to an archival collection accessible through an on-line search function?***

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11 The MSRB would view a notice provided in any form considered to be a "written communication" for purposes of Securities Act Rule 405 as meeting this requirement.

12 This provision is based on the provisions of section (a) of Securities Act Rule 173. Most commentators agreed that this customer notice should be provided within two business days of trade settlement, as under the SEC "access equals delivery" rule. Dealers could, but would not be required to, provide such notice on or with the trade confirmation. Under Rule G-15(a)(i), confirmations are required to be given or sent to customers at or prior to trade settlement.

13 One commentator, an elderly investor, asked not to be required to request a paper copy every time he makes a purchase. Three other commentators shared his concern for access by elderly investors.

14 As noted in the text accompanying footnote 29 below, the MSRB believes that such notice must provide the URL for a source that provides the OS at no cost throughout the new issue disclosure period and a reasonable limited period of time thereafter.

Revised Rule G-32 would not substantially change the OS delivery obligation with respect to sales of municipal fund securities from those that currently exist.[15] The selling dealer would be required to deliver the OS to the customer by trade settlement, provided that the dealer may satisfy this delivery obligation for its repeat customers (*i.e.*, customers participating in periodic municipal fund security plans or non-periodic municipal fund security programs) by promptly sending any updated disclosure material to the customer as it becomes available, as set forth in paragraph (a)(iv)(A). In addition, the dealer would be required under paragraph (a)(iv)(B) to disclose any distribution-related fee received as agent for the issuer to the extent not disclosed in the OS or trade confirmation.

One commentator suggested that issues described under Exchange Act Rule 15c2-12(d)(1)(i) ("limited offerings") be excluded from the "access equals delivery" model, while another commentator suggested that the model be made available for such offerings on a voluntary basis.[16] The draft amendments do not provide such an exclusion. ***The MSRB seeks further comment on whether such an exclusion for limited offerings should be provided and, if so, why such an exclusion would be appropriate.*** Were such an exclusion to be provided, the existing OS delivery requirement would be retained for such new issue municipal securities. If, in the alternative, an exclusion were to be provided on a voluntary basis (*e.g.*, at the election of the underwriter, which would submit the OS to the MSIL/Access system for those issues that would qualify for the "access equals delivery" model), an assured process for communicating to dealers whether such an election has been made by the underwriter (*e.g.*, a required information submission to the MSIL/Access system that would allow a notice to be posted at the MSIL/Access portals, particularly if the underwriter has elected ***not*** to qualify the limited offering for the "access equals delivery" model) would be necessary. Such notice would serve the purpose of avoiding situations where a dealer might provide a notice to the customer that an

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15 Some commentators stated that municipal fund securities should be excluded from the "access equals delivery" model in view of the SEC's exclusion of mutual funds from its "access equals delivery" rule, while other commentators disagreed. Although the "access equals delivery" model would not be available for municipal fund securities, electronic OSs could still be used to fulfill the OS delivery requirement under prior guidance concerning the use of electronic communications where standards for notice, access and evidence to show delivery are met. *See* Rule G-32 Interpretation – Notice Regarding Electronic Delivery and Receipt of Information by Brokers, Dealers and Municipal Securities Dealers, November 20, 1998, *reprinted in* MSRB Rule Book.

16 Issues under Exchange Act Rule 15c2-12(d)(1)(i) are those in which the securities have authorized denominations of $100,000 or more and are sold to no more than 35 persons who the underwriter reasonably believes: (a) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment, and (b) are not purchasing for more than one account or with a view to distributing the securities.

OS is available from the MSIL/Access system, rather than delivering the OS directly to the customer, when in fact no such OS is available. Finally, to the extent that some or all of these limited offerings do not qualify for the "access equals delivery" model, Rule G-32 would need to retain existing provisions regarding inter-dealer dissemination of the OS, which have been deleted from the draft amendments included in this notice.[17] ***To the extent that any commentator believes that an exclusion for limited offerings (with or without the ability of the underwriter to make an election to qualify for the "access equals delivery" model) should be provided, the MSRB seeks comment on issues arising from the provisions described above that would be needed to ensure that customers are provided access to the OS.***

Underwriter Submissions to the MSIL/Access System (Rule G-32(b)). Section (b) of revised Rule G-32 would set forth the various submission requirements for underwriters. This new section (b) would replace current Rule G-36 in its entirety.

- ***Official Statements and Preliminary Official Statements*** (Rule G-32(b)(i)) – All submissions by underwriters of OSs to the MSIL/Access system would be required to be made within one business day after receipt from the issuer but by no later than the closing date[18] for the offering.[19] If no OS is prepared for an offering or if an OS is being prepared but is not yet

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17 Although municipal fund securities would not qualify for the "access equals delivery" model, official statements for such securities would be readily available to all dealers from the MSIL/Access portals as described below and therefore the existing inter-dealer dissemination requirements under current Rule G-32 would not be required and have been omitted from the draft rule changes.

18 "Closing date" would be defined in revised Rule G-32(d)(ix) as the date of first delivery of the securities to the underwriter. For bond or note offerings, this would generally correspond to the traditional concept of the bond closing date. In the case of continuous offerings, such as for municipal fund securities, the closing date would be considered to occur when the first securities are delivered.

19 Rule G-36 currently requires the OS to be sent, for offerings subject to Exchange Act Rule 15c2-12, within one business day after receipt from the issuer but no later than ten business days after the bond sale, and for offerings exempt from Exchange Act Rule 15c2-12, by the later of one business day after receipt from the issuer or one business day after the bond closing. Some commentators believed these existing timeframes should be retained, while others believed that all submissions should be made by the closing date. The MSRB has determined to require all submissions by the closing date to ensure that OSs will be available from the MSIL/Access portals by first trade settlement and to simplify dealer compliance. In addition, retaining the current timeframes rather than requiring all submissions to occur by the closing date could potentially result in OSs becoming available later under the "access equals delivery" model than is the case under

(continued . . .)

available from the issuer by the closing date, the underwriter would be required to submit the POS, if any, to the MSIL/Access system by the closing date. Once an OS becomes available, the underwriter would be required to submit the OS to the MSIL/Access system within one business day after receipt from the issuer.[20] If no OS is prepared for an offering, the underwriter also would be required to provide notice of that fact to the MSIL/Access system.

Revised Rule G-32(b)(i) does not provide a submission exception from the MSIL/Access system for OSs relating to municipal fund securities, even though municipal fund securities do not qualify for the "access equals delivery" model under section (a) of the rule. The MSRB believes that, particularly in the case of 529 college savings plans, there is considerable value to investors and the marketplace in general in having disclosure information centrally available on-line. The MSRB recognizes that, in the 529 college savings plan market, issuers generally already make their OSs available freely on-line and that the College Savings Plans Network ("CSPN") will soon launch a significant upgrade to its existing website to provide a comprehensive centralized web-based utility for this market. This CSPN utility is expected to include, among a number of other useful resources, easy access to the OSs for all 529 college savings plans in the marketplace. The MSRB looks forward to the launch of this valuable utility and urges dealers and other participants in the 529 college savings plan market to provide the investing public with easy access to, and to affirmatively encourage the use of, this market-wide information. The MSRB would invite CSPN to consider operating its utility as a MSIL/Access portal for the 529 college savings plan market if the exclusion of municipal fund securities from the "access equals delivery" model is eliminated at some point in the future.

- ***Advance Refunding Documents*** (Rule G-32(b)(ii)) **–** Underwriters would continue to be required to submit advance refunding documents ("ARDs") to the MSIL/Access system by no later than five business days after the closing date. The requirement would apply whenever an ARD has been prepared in connection with a primary offering, not just for those offerings in which an OS also has been prepared as under current Rule G-36.

- ***Amendments to Official Statements and Advance Refunding Documents*** (Rule G-32(b)(iii)) **–** As under current Rule G-36, underwriters would continue to be required to submit OS amendments to the MSIL/Access system within one business day of receipt

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(. . . continued)
current rules for those issues having a closing date that occurs less than ten business days after the bond sale.

[20] One commentator stated that, if the OS is not available by bond closing, the POS should be submitted by bond closing pending availability of the final OS. Other commentators stated that POSs for all issues should be made publicly available. The MSRB has determined to require POS submissions only in the limited circumstances described above but is also seeking comment on whether to permit voluntary submissions of POSs to the MSIL/Access system. *See* text accompanying footnote 9 above.

throughout the new issue disclosure period. The revised rule would explicitly include amendments to ARDs within these same requirements.

- ***Cancellation of Issue & Underwriting Syndicate*** (Rule G-32(b)(iv) and (v)) – As under current Rule G-36, underwriters would be required to advise the MSIL/Access system of any cancellation of an issue for which a submission has previously been made. Managing underwriters would be responsible for compliance on behalf of their syndicate members.

- ***Submission Procedures and Form G-32*** (Rule G-32(b)(vi)) – All OSs, POSs and ARDs, as well as any amendments thereto, must be submitted to the MSIL/Access system by electronic means in a designated electronic format.[21] Paper submissions would no longer be accepted, with all submissions to the MSIL/Access system limited at the outset to documents in portable document format (PDF). However, the MSIL/Access system would retain the flexibility to allow other formats that may be developed in the future, as appropriate, consistent with the need to maintain the integrity of a long-term archive of documents and the need to ensure ready availability of documents through the MSIL/Access portals to the general public, including retail investors.[22] ***The MSRB seeks further comments from the industry on what parameters are important in determining the suitability of an electronic format for documents accessible through the MSIL/Access system and whether any such formats, other than PDF, currently exist or are in development.*** The MSIL/Access system will be designed to accept such electronic submissions either through an upgraded version of the existing MSIL web-based interface known as the e-OS system or by upload or data stream initially using extensible markup language (XML).[23]

Current Form G-36(OS) and Form G-36(ARD), which can be completed either on paper or electronically, would be replaced by a single Form G-32 that must be completed

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21 "Designated electronic format" would be defined in revised Rule G-32(d)(vi) as any electronic formats for OSs and other documents that are acceptable for purposes of the MSIL/Access system.

22 Most commentators agreed that OSs should be in PDF files, which is the format currently required for submissions of OSs made to the MSIL system through its electronic interface. Some commentators urged that the new system retain flexibility to adopt appropriate file formats that may be developed in the future. Some commentators favored allowing multiple formats, while others opposed the use of multiple formats.

23 Among other improvements to the current e-OS system, dealers choosing to make submissions through the data-entry interface of the upgraded e-OS system would be able to save partial forms for completion at a later time and would in many cases have information pre-populated into their forms based on the entry of one or a limited number of CUSIP numbers, rather than being required to enter all CUSIP numbers and maturity dates by hand.

electronically. Underwriters would be required to submit to the MSIL/Access system a Form G-32 in connection with each OS (or POS, where no OS exists), as well as in connection with each offering for which no OS or POS is to be made available through the MSIL/Access system.[24] The MSRB anticipates that the Form G-32 submission process would be initiated by the submission of the CUSIP number information and initial offering prices for each maturity[25] shortly after the bond sale. The MSRB notes that paragraph (a)(ii)(C) of Rule G-34, on CUSIP numbers and new issue requirements, currently requires underwriters to disseminate CUSIP information by the time of the first execution of a transaction in virtually all new issues. ***The MSRB seeks comments on whether this would be the appropriate timeframe for requiring CUSIP information and initial offering prices, as well as notice that no OS or POS will be provided (if applicable), to be provided to the MSIL/Access system for public dissemination through the MSIL/Access portals.***

Other items of information to be submitted through the Form G-32 submission process, including the underwriting spread, if any, and the amount of any fee received by the underwriter as agent for the issuer in the distribution of the securities (to the extent such information is not included in the OS),[26] as well as many of the items currently required on Form G-36(OS) in connection with the MSRB's underwriting assessment under Rule A-13, would be provided by the underwriter as they become available. In general, Form G-32 would be completed by the closing date, although for certain items that may not become available until after the closing date (*e.g.*, ARDs, amendments to OSs or ARDs, etc.), submissions could continue to be made with respect to a Form G-32 as necessary up to the end of the new issue disclosure period.

All submissions of ARDs under subsection (b)(ii), amendments under subsection (b)(iii) and notices of issue cancellation under subsection (b)(iv) would be made by means of a Form G-32 previously initiated in connection with the related OS or offering. In effect, a Form G-32 initiated in connection with a new issue would be a single continuous submission process for the related OS, any related ARDs or amendments, and issue-specific information that would be completed in stages beginning at or prior to the time of first execution of a transaction in such issue and ending in most cases on the closing date but in some cases extending as late as the end of the new issue disclosure period, depending on the specific features of such issue.

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[24] As described above, in cases where no OS or POS is being submitted to the MSIL/Access system, the underwriter would be required to provide notice thereof to the MSIL/Access system. Such information would be designed in part to provide through the MSIL/Access portals notice to customers and others that no OS or POS will be available.

[25] The initial offering price information disclosure under this provision would take the place of such disclosure to customers by selling dealers under current Rule G-32.

[26] These items of information would be publicly disclosed at the MSIL/Access portals and would take the place of disclosures to customers by selling dealers required under current Rule G-32.

The specific formats and processes for making submissions would be set out in the Form G-32 Manual, which would replace the current Form G-36 Manual. Underwriters would be permitted to designate one or more submission agents to submit documents and information required under this rule. The rule would not limit who may act as such submission agent on behalf of the underwriter but, as an agent, the underwriter would be bound by the actions of such agent. Therefore, a failure to comply with the submission requirements by such agent would be treated as a failure by the underwriter.

Preparation of Official Statements By Financial Advisors (Rule G-32(c))**.** Revised Rule G-32 would require any dealer acting as financial advisor that prepares the OS for the issuer to make the OS available to the managing or sole underwriter in electronic form promptly after it has been approved by the issuer for distribution. This would apply to all offerings for which a dealer financial advisor prepares the OS. The electronic OS must be in a designated electronic format acceptable for purposes of the MSIL/Access system.

Definitions (Rule G-32(d))**.** The existing definitions in Rules G-32 and G-36 would be consolidated into section (d) of revised Rule G-32 and the definitions for designated electronic format and closing date (as described above), among others, would be added. In addition, certain existing terms would be modified. The significant modifications to these existing terms are described below:

- "***New issue municipal securities***" would no longer exclude commercial paper. ***The MSRB seeks comment on whether there is any justification for retaining this exclusion, given the modifications to the disclosure dissemination system that would be made.***

- "***New issue disclosure period***" is modified slightly to emphasize that the period ends 25 days after the final delivery by the issuer of ***any*** securities of the issue. For traditional bond or note offerings, this final delivery would correspond to the new definition of "closing date." However, for continuous offerings, such as for municipal fund securities, this final delivery would not occur until the end of such continuous offering (*i.e.*, no further securities are being issued). The new issue disclosure period would serve as the period during which dealers selling new issue municipal securities to customers would be required to send notice to customers regarding availability of the OS on-line (or to deliver a copy of the OS for municipal fund securities). In addition, this is the period during which underwriters would remain responsible for providing OS amendments to the MSIL/Access system.

- "***Primary offering***" would include specific reference to remarketings of municipal securities that the SEC views as primary offerings under Exchange Act Rule 15c2-12(f)(7), beyond those specifically enumerated in such subsection (f)(7). The MSRB is concerned that many dealers continue to mistakenly view current Rule G-36 and Exchange Act Rule 15c2-12 as applying to remarketings only if they are accompanied by a change in either (i) the authorized denomination of the securities from $100,000 or more to less than $100,000, or (ii) the period

during which the securities may be tendered from a period of nine months or less to a period of more than nine months. The SEC has made clear that this is not the case.[27]

Recordkeeping Amendments. Subsections (a)(xiii) and (a)(xv) of Rule G-8 currently require that records be maintained in connection with deliveries of OSs to customers and submissions of OSs, ARDs and Forms G-36(OS) and (ARD) to the MSIL facility. The draft rule changes would modify certain of these requirements to reflect the changes to Rule G-32 and consolidate such requirements into subsection (a)(xiii). Subsections (b)(x) and (b)(xi) of Rule G-9 relating to preservation of such records would also be modified to conform to the changes to Rule G-8.

MSIL/ACCESS PORTALS

In the Concept Release, the MSRB sought comment on how best to provide electronic access to OSs to investors and the marketplace, including which entities would be best positioned to provide such service. Most commentators believed that the MSRB would be an appropriate operator of the central access facility, while many suggested that the central access facility also could be operated by an outside contractor with oversight by the MSRB pursuant to contract. Several commentators expressed interest in operating the central access facility. Most commentators stated that OSs should remain publicly available until maturity. Commentators agreed that financial and operating information in OSs quickly becomes stale, although some noted that such information (even when stale) is valuable as a point of reference when reviewing secondary market financial and operating information provided to the nationally recognized municipal securities information repositories ("NRMSIRs") under Exchange Act Rule 15c2-12(b)(5). Most commentators stated that much of the other information in the OS, particularly relating to the terms of the securities, is useful throughout the life of a bond issue. Other commentators countered that the current new issue disclosure period for providing OSs would be a sufficiently long time for OSs to be made available. One such commentator stated that maintaining public access beyond this period would impair the economic interests of information vendors that currently make OSs available on a commercial basis.

The MSRB has determined that a MSIL/Access portal serving as a central access facility must post OSs and other documents and information directly on its centralized website, rather than simply providing a central directory of links to OSs and such other items at other sites.[28] Beyond that, the MSRB believes it is premature to finalize the precise structure of the MSIL/Access portal arrangements at this time and is continuing to consider the appropriate

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27 *See* letter from Robert L.D. Colby, Chief Counsel, SEC, to Kathleen S. Thompson, Esq., Pillsbury, Madison & Sutro (March 11, 1991) (90-91 CCH Dec., FSLR ¶79,659).

28 Most commentators agreed, with some noting that a highly decentralized system for posting of OSs by different issuers, underwriters, financial advisors, financial printers, information vendors and others could be problematic.

parameters pursuant to which such MSIL/Access portals should be operated. Some basic characteristics for a system of MSIL/Access portals are outlined below. ***The MSRB is seeking further comment on such parameters and characteristics for the MSIL/Access portals.***

The MSRB intends to establish its own MSIL/Access portal to provide an assured centralized source for free access to OSs and other related documents and information for all new issues to investors, other market participants and the general public. The MSRB agrees that there is value in continuous access to much of the information provided in the OS for the life of the securities and has determined that its central MSIL/Access portal will provide such access. The MSRB anticipates that older OSs would be moved to an archive that would be accessible on-line through a search function.

The MSRB notes, however, that this MSRB MSIL/Access portal need not operate as the exclusive MSIL/Access portal. Rather, multiple entities that subscribe to the MSIL system document collection – which will be designed to provide nearly real-time access to documents as they are submitted and processed – could establish separate MSIL/Access portals designed to make available publicly the basic documents and information provided through the MSIL/Access system, together with such other documents, information and utilities (*e.g.*, indicative data, transaction pricing data, secondary market information, analytic tools, etc.) as each such operator shall determine. These separate MSIL/Access portals could provide these services on such commercial terms as they deem appropriate, provided that the notice under revised Rule G-32(a)(iii)(B) for dealers relying on the "access equals delivery" model would be required to provide the URL for the specific OS and any amendments thereto posted at a MSIL/Access portal for free throughout the new issue disclosure period and for a reasonable limited period of time thereafter (*i.e.*, for a period extending beyond 25 days after the closing date).[29] ***The MSRB seeks comment on the appropriate limited period of time beyond the end of the new issue disclosure period during which documents should remain publicly available through free MSIL/Access portals in order to ensure that new issue customers have had an adequate opportunity to access and retain copies of such documents.*** Dealers choosing to rely on these separate MSIL/Access portals also would need to ensure that such portals make OSs available with a level of reliability comparable to that of the MSRB's MSIL/Access portal.

The MSRB intends to continue offering subscriptions to the MSIL system collection on terms that promote the broad dissemination of disclosure information throughout the marketplace without creating a significant negative impact on the pricing of dissemination services by subscribers. In particular, the MSRB hopes that multiple MSIL/Access portals would provide free continuous access to OSs and other documents throughout the new issue disclosure period and a reasonable limited period of time thereafter and also would provide continuing access

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[29] *See* footnote 14 above. As noted above, the MSRB's MSIL/Access portal would maintain a permanent archive of all OSs and therefore it is anticipated that other MSIL/Access portals would not be required (but would be permitted) to maintain public access to OSs beyond the initial period described above.

beyond the expiration of this period on favorable terms, with due consideration for promoting access by infrequent users (*e.g.*, retail investors) for free or at greatly reduced rates. The MSRB's goal in promoting the establishment of parallel MSIL/Access portals is to provide all market participants with a realistic opportunity to access OSs and other documents and information throughout the life of the securities in a non-cost prohibitive manner while encouraging market-based approaches to meeting the needs of investors and other market participants.

STRAIGHT-THROUGH PROCESSING

The MSRB expects to develop the new MSIL/Access system as a key component in a straight-through processing environment for new issue documents and information, permitting underwriters to designate third-party submission agents to act on their behalf and providing "real-time" access to documents and data for subscribers and the marketplace. Underwriters could designate financial printers, financial advisors, information vendors, industry utilities or other appropriate parties to act as their designated submission agents. Such agents could, in turn, establish data stream connections with the MSIL/Access system to submit the documents or other information that they have been designated to submit on behalf of any number of underwriters directly to the MSIL/Access system. In particular, underwriters that currently must submit OSs to the MSRB as well as to certain information vendors or industry utilities could, subject to appropriate arrangements, designate such parties to act as submission agents who would forward such submitted OSs to the MSIL/Access system. Conversely, the MSIL/Access system would be designed to permit an underwriter to submit the OS directly to the MSRB under revised Rule G-32 and to have such OS (upon the making of appropriate subscription and technical arrangements) redelivered to such other organizations. Thus, the MSIL/Access system would be designed to provide underwriters with the flexibility to undertake their various submission processes in the municipal securities market in the manner best suited to their particular business plans, internal systems and vendor/contractual relationships.

LISTING OF MUNICIPAL SECURITIES BUSINESS ON FORM G-37

Dealers that engage in municipal securities business, as defined in Rule G-37, on political contributions and prohibitions on municipal securities business, generally must report such business to the MSRB, along with certain other items of information, on a quarterly basis on Form G-37 submitted to the MSRB through the existing MSIL system.[30] The modifications needed to establish the MSIL/Access system could potentially streamline the Form G-37 submission process as well. In particular, by requiring that underwriters submitting Form G-32 provide information as to whether the offering was sold on a negotiated basis, together with a list of all syndicate members, such information could be used to help pre-populate Section III of

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[30] Municipal securities business includes negotiated underwritings, private placements and other agency offerings, financial advisory or consultant engagements and remarketing agent engagements.

Form G-37 (relating to issuers with which the dealer has engaged in municipal securities business during the calendar quarter) to be prepared and submitted by such underwriter and syndicate members. Throughout the quarter, such information for each dealer would be compiled. When it becomes time for dealers to submit their quarterly Forms G-37, such dealers would access these compiled lists through an upgraded version of the MSRB's existing web-based interface for Form G-37 submissions and review such lists for accuracy and completeness.[31] Such an automated process would require that all Form G-37 submissions be made electronically through this web-based interface, with no paper submissions permitted.

The MSRB seeks comment on the merits of partially automating the Form G-37 process through information provided on Form G-32. In particular, would the added burden of additional information submissions by underwriters under revised Rule G-32 be outweighed by the possible benefits realized in partially automating the Form G-37 process?

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The MSRB seeks comments on all aspects of this notice. **Comments should be submitted no later than March 12, 2007, and may be directed to Ernesto A. Lanza, Senior Associate General Counsel.** Written comments will be available for public inspection upon request and also will be posted on the MSRB web site.[32]

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[31] In particular, the information provided through the Form G-32 submissions would not be expected to include information on issues for which the dealer served as financial advisor and may not provide complete information on issues for which the dealer served as remarketing agent. Furthermore, dealers would need to add the appropriate information regarding contributions to issuer officials and payments to state and local political parties in Sections I and II of Form G-37.

[32] All comments received will be made publicly available without change. Personal identifying information, such as names or e-mail addresses, will not be edited from submissions. Therefore, commentators should submit only information that they wish to make available publicly.

TEXT OF DRAFT RULE CHANGES

Rule G-32. New Issue Disclosure Practices[33]

(a) **Dealer Disclosures to New Issue Customers.**

(i) No dealer shall sell, whether as principal or agent, any new issue municipal securities to a customer unless such dealer delivers to the customer by no later than the settlement of the transaction a copy of the official statement or, if an official statement is not being prepared, a written notice to that effect together with a copy of a preliminary official statement, if any.

(ii) Notwithstanding the provisions of subsection (a)(i) of this rule, the delivery obligation thereunder shall be deemed satisfied if the following conditions are met:

(A) the new issue municipal securities being sold are not municipal fund securities; and

(B) the underwriter has made the submissions to the MSIL/Access system required under paragraph (b)(i)(A) or (b)(i)(B) of this rule (other than any required submission under clause (b)(i)(B)(2)(b)), or the underwriter has made a good faith and reasonable effort to make such submission and, in the event that the underwriter fails to make such submission in a timely manner, the underwriter makes such submission as soon as practicable thereafter; provided that the condition in this paragraph (B) shall apply solely to sales to customers by dealers acting as underwriters in respect of the new issue municipal securities being sold.

(iii) Any dealer that sells any new issue municipal securities to a customer with respect to which the delivery obligation under subsection (a)(i) of this rule is deemed satisfied pursuant to subsection (a)(ii) of this rule shall provide to the customer, by no later than two business days following the settlement of such transaction, either:

(A) a copy of the official statement or, if an official statement is not being prepared, a written notice to that effect together with a copy of a preliminary official statement, if any; or

(B) a notice to the effect that the official statement is available from the MSIL/Access system and that a copy of the official statement will be provided upon request, which notice shall include the uniform resource locator (URL) where the official statement may be obtained.

If a dealer provides notice to a customer pursuant to paragraph (a)(iii)(B), such dealer shall, upon

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[33] The text of current Rule G-32 is replaced in its entirety with the text set forth above.

request from the customer, promptly send a copy of the official statement to the customer.

(iv) In the case of a sale by a dealer of municipal fund securities to a customer, the following additional provisions shall apply:

(A) notwithstanding the provisions of subsection (a)(i) of this rule, if a customer who participates in a periodic municipal fund security plan or a non-periodic municipal fund security program has previously received a copy of the official statement in connection with the purchase of municipal fund securities under such plan or program, a dealer that sells additional shares or units of the municipal fund securities under such plan or program to the customer will be deemed to have satisfied the delivery obligation under subsection (a)(i) of this rule if such dealer sends to the customer a copy of any new, supplemented, amended or "stickered" official statement, by first class mail or other equally prompt means, promptly upon receipt thereof; provided that, if the dealer sends a supplement, amendment or sticker without including the remaining portions of the official statement, such dealer includes a written statement describing which documents constitute the complete official statement and stating that the complete official statement is available upon request; and

(B) to the extent not included in the official statement or trade confirmation, the dealer shall provide to the customer, by no later than the settlement of the transaction, written disclosure of the amount of any fee received by the dealer as agent for the issuer in the distribution of the securities.

(v) If two or more customers share the same address, a dealer may satisfy the delivery obligations set forth in this section (a) by complying with the requirements set forth in Rule 154 of the Securities Act of 1933, on delivery of prospectuses to investors at the same address. In addition, any such dealer shall comply with section (c) of Rule 154, on revocation of consent, to the extent that the provisions of paragraph (a)(iv)(A) relating to a customer who participates in a periodic municipal fund security plan or a non-periodic municipal fund security program apply.

(b) **Underwriter Submissions to MSIL/Access system.**

(i) **Official Statements and Preliminary Official Statements.**

(A) Subject to paragraph (B) of this subsection (i), each underwriter in a primary offering of new issue municipal securities shall submit the official statement to the MSIL/Access system within one business day after receipt of the official statement from the issuer or its designated agent, but by no later than the closing date.

(B) If an official statement is not made available by the issuer or its designee to the underwriter by the closing date or if an official statement will not be prepared for an offering not subject to Securities Exchange Act Rule 15c2-12, the underwriter shall submit to the MSIL/Access system:

(1) by no later than the closing date, the preliminary official statement, if any, or, if no preliminary official statement has been prepared, notice to that effect;

(2) in the case of an offering for which an official statement is being prepared:

(a) by no later than the closing date, notice to the effect that the official statement will be provided when it becomes available; and

(b) within one business day after receipt from the issuer or its designated agent, the official statement;

(3) in the case of an offering not subject to Securities Exchange Act Rule 15c2-12 for which an official statement will not be prepared, by no later than the closing date, notice to the effect that no official statement will be prepared.

(ii) **Advance Refunding Documents.** If new issue municipal securities offered in a primary offering advance refund outstanding municipal securities and an advance refunding document is prepared, each underwriter in such offering shall submit the advance refunding document to the MSIL/Access system by no later than five business days after the closing date.

(iii) **Amendments to Official Statements and Advance Refunding Documents.** In the event the underwriter for a primary offering has previously submitted to the MSIL/Access system an official statement or advance refunding document and such document is amended by the issuer during the new issue disclosure period, the underwriter for such primary offering must submit the amendment to the MSIL/Access system within one business day after receipt of the amendment from the issuer or its designated agent.

(iv) **Cancellation of Issue.** In the event an underwriter provides to the MSIL/Access system the documents and written information referred to in subsection (i), (ii) or (iii) above, but the issue is later cancelled, the underwriter shall notify the MSIL/Access system of this fact promptly as provided in the Form G-32 Manual.

(v) **Underwriting Syndicate.** In the event a syndicate or similar account has been formed for the underwriting of a primary offering of new issue municipal securities, the managing underwriter shall take the actions required under the provisions of this rule and comply with the recordkeeping requirements of rule G-8(a)(xiii)(B).

(vi) **Submission Procedures and Form G-32.**

(A) All submissions required under this rule shall be made by means of Form G-32 and shall be submitted electronically in such format and manner, and shall include such information, as specified in the Form G-32 Manual.

(B) Form G-32 and any related documents shall be submitted by the underwriter or by any submission agent designated by the underwriter pursuant to procedures set forth in the Form G-32 Manual. The failure of a submission agent designated by an underwriter to comply with any requirement of this rule shall be considered a failure by such underwriter to so comply.

(c) **Preparation of Official Statements By Financial Advisors.** A dealer that, acting as financial advisor, prepares an official statement on behalf of an issuer with respect to any new issue municipal securities shall make the official statement available to the managing underwriter or sole underwriter in a designated electronic format promptly after the issuer approves its distribution.

(d) **Definitions**. For purposes of this rule, the following terms have the following meanings:

(i) The term "new issue municipal securities" shall mean municipal securities that are sold by a dealer during the issue's new issue disclosure period.

(ii) The term "new issue disclosure period" shall mean the period commencing with the first submission to an underwriter of an order for the purchase of new issue municipal securities or the purchase of such securities from the issuer, whichever first occurs, and ending 25 days after the final delivery by the issuer of any securities of the issue to or through the underwriting syndicate or sole underwriter.

(iii) The term "primary offering" shall mean an offering defined in Securities Exchange Act Rule 15c2-12(f)(7), including but not limited to any remarketing of municipal securities that constitutes a primary offering as such subsection (f)(7) may be interpreted from time to time by the Commission.

(iv) The term "official statement" shall mean (A) for an offering subject to Securities Exchange Act Rule 15c2-12, a document or documents defined in Securities Exchange Act Rule 15c2-12(f)(3), or (B) for an offering not subject to Securities Exchange Act Rule 15c2-12, a document or documents prepared by or on behalf of the issuer that is complete as of the date delivered to the underwriter and that sets forth information concerning the terms of the proposed offering of securities. A notice of sale shall not be deemed to be an "official statement" for purposes of this rule.

(v) The term "MSIL/Access system" shall mean the electronic municipal securities information access system for collecting and disseminating new issue documents and information.

(vi) The term "designated electronic format" shall mean an electronic format designated in the current Form G-32 Manual as an acceptable electronic format for submission or preparation of documents pursuant to section (b) or (c) of this rule.

(vii) The term "underwriter" shall mean a dealer that is an underwriter as defined in Securities Exchange Act Rule 15c2-12(f)(8).

(viii) The term "advance refunding document" shall mean the refunding escrow trust agreement or its equivalent prepared by or on behalf of the issuer.

(ix) The term "closing date" shall mean the date of first delivery by the issuer to or through the underwriter of new issue municipal securities sold in a primary offering.

(x) The term "dealer", as used in this rule, shall include any broker, dealer or municipal securities dealer.

(xi) The term "Form G-32 Manual" shall mean the document(s) designated as such published by the Board from time to time setting forth the processes and procedures with respect to submissions to be made to the MSIL/Access system by underwriters under Rule G-32(b).

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Rule G-36. Delivery of Official Statements, Advance Refunding Documents and Forms G-36(OS) and G-36(ARD) to Board or Its Designee

[RESCINDED]

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Rule G-8. Books and Records to be Made by Brokers, Dealers and Municipal Securities Dealers[34]

(a) **Description of Books and Records Required to be Made.** Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i)-(xii) No change.

(xiii) **Records Concerning <u>New Issue Disclosure Practices.</u>** ~~**Deliveries of Official Statements.**~~ A record of all deliveries **<u>made by the broker, dealer or municipal securities dealer</u>** to**<u>:</u>**

<u>(A)</u> purchasers of new issue municipal securities~~,~~ of**<u>:</u>**

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[34] Underlining indicates additions; strikethrough indicates deletions.

(1) official statements **or preliminary official statements required under Rule G-32(a)(i), (a)(iii)(A) or (a)(iv)(A);**

(2) notices or written disclosures required under Rule G-32(a)(iii)(B) or (a)(iv)(B); ~~**or other disclosures concerning the underwriting arrangements required under rule G-32 and,**~~

(3) if applicable, a record evidencing compliance with **subsection (a)(v) of Rule G-32.** ~~**section (a)(i)(C) of rule G-32.**~~

(B) the Board, in the capacity of underwriter in a primary offering of municipal securities (or, in the event a syndicate or similar account has been formed for the purpose of underwriting the issue, the managing underwriter), of:

(1) official statements or preliminary official statements required under Rule G-32(b)(i);

(2) advance refunding documents required under Rule G-32(b)(ii);

(3) amendments to official statements and advance refunding documents required under Rule G-32(b)(iii);

(4) Forms G-32 required under Rule G-32(b)(vi).

(xiv) No change.

(xv) **[RESERVED]** ~~**Records Concerning Delivery of Official Statements, Advance Refunding Documents and Forms G-36(OS) and G-36(ARD) to the Board or its Designee. A broker, dealer or municipal securities dealer that acts as an underwriter in a primary offering of municipal securities subject to rule G-36 (or, in the event a syndicate or similar account has been formed for the purpose of underwriting the issue, the managing underwriter) shall maintain:**~~

~~**(A) a record of the name, par amount and CUSIP number or numbers for all such primary offerings of municipal securities; the dates that the documents and written information referred to in rule G-36 are received from the issuer and are sent to the Board or its designee; the date of delivery of the issue to the underwriters; and, for issues subject to Securities Exchange Act Rule 15c2-12, the date of the final agreement to purchase, offer or sell the municipal securities; and**~~

~~**(B) copies of the Forms G-36(OS) and G-36(ARD) and documents submitted to the Board or its designee along with the certified or registered mail receipt or other record of sending such forms and documents to the Board or its designee.**~~

(xvi)-(xxii) No change.

(b)-(g) No change.

*** * * * ***

Rule G-9. Preservation of Records[35]

(a) No change.

(b) **Records to be Preserved for Three Years.** Every broker, dealer and municipal securities dealer shall preserve the following records for a period of not less than three years:

(i)-(ix) No change.

(x) all records **relating to Rule** ~~**of deliveries of rule**~~ G-32 ~~**disclosures and, if applicable, a record evidencing compliance with section (a)(i)(C) of rule G-32**~~ required to be retained as described in rule G-8(a)(xiii);

(xi) **[RESERVED]** ~~**the records to be maintained pursuant to rule G-8(a)(xv);**~~

(xii)-(xvi) No change.

(c)-(f) No change.

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[35] Underlining indicates additions; strikethrough indicates deletions.

Alphabetical List of Comment Letters on MSRB Notice 2007-05 (January 25, 2007)

1. American Municipal Securities, Inc.: Letter from J. Cooper Petagna, Jr., President, dated March 12, 2007
2. Bear, Stearns & Co. Inc.: Letter from Vincent A. Mazzaro, Senior Managing Director & Controller of Municipals, dated March 19, 2007
3. Bernardi Securities, Inc.: Letter from Eric Bederman, dated March 5, 2007
4. College Savings Plans Network: Letter from Jackie T. Williams, Chair, dated September 20, 2007
5. DPC DATA Inc.: Letter from Peter J. Schmitt, Chief Executive Officer, dated March 9, 2007
6. Griffin, Kubik, Stephens & Thompson, Inc.: Letter from Robert J. Stracks, Counsel, dated March 14, 2007
7. Ipreo Holdings LLC: Letter from Kevin Colleran, Vice President, dated March 9, 2007
8. National Association of Bond Lawyers: Letter from Carol L. Lew, President, dated March 12, 2007
9. Securities Industry and Financial Markets Association: Letter from Leslie M. Norwood, Vice President and Assistant General Counsel, dated March 16, 2007
10. Tissier, Merry Jane: Letter dated March 8, 2007
11. UMB Bank, N.A.: Letter from James C. Thompson, Divisional Executive Vice President, Investment Banking Division, dated February 25, 2007
12. Wulff, Hansen & Co.: Letter from Chris Charles, President, dated March 7, 2007

AMERICAN MUNICIPAL SECURITIES, INC.

INVESTMENT BANKERS
Since 1980

Building *wealth* for the retirement years...Providing *income* to enjoy them

March 12, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Comments to MSRB Notice 2007-05 (January 25-2007)
Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

We have reviewed the above mentioned Notice and are in favor of the proposed MSIL/Access System. It seems that making official statements available in one easy-to-access location is a good idea. In addition, the change to electronically submit what is currently submitted as Form G-36(OS) and official statements also seems to be a good idea. It seems that submitting the information electronically would save time and allow the ability to search for information easily. We have provided our comments to your specific questions from the Notice as shown below.

1. *The MSRB seeks comment on whether the MSIL/Access system should provide for voluntary submissions by underwriters of POSs to be made publicly accessible through the MSIL/Access portals.* **The submission of a POS should be voluntary.**

2. *The MSRB seeks comment on whether the URL included in the notice to customers should be restricted to a specific MSIL/Access portal or could be for any of the MSIL/Access portals, or whether dealers should be permitted to identify a source other than a MSIL/Access portal.* **It seems reasonable that all OSs should be submitted to the MSIL/Access portal as opposed to some other source.**

   In the overview notice you state that "A dealer selling new issue municipal securities would be required to provide to a purchasing customer, by no later than two business days after trade settlement, either a copy of the OS or written notice that the OS may be accessed through the MSIL/Access system and that a copy of the OS will be provided to the customer by the dealer upon request." Is the written notice to the customer to be sent via regular mail or could it be sent via electronic mail?

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3. *The MSRB seeks comment on potential technical difficulties that might result from requiring that the notice include a URL assigned to a specific OS, particularly in respect to assuring that the unique URL for each OS remains operative throughout the time such document remains publicly available. Would it be appropriate to limit the period of time during which the URL for a specific OS is required to be maintained unchanged, such that after such period the OS could be archived and be made accessible through an on-line search function at the MSIL/Access portal? What would be the appropriate period of time (beyond the end of the new issue disclosure period) for maintaining such URLs unchanged prior to permitting OSs to be moved to an archival collection accessible through an on-line search function?* **To eliminate the need to distribute a specific URL for each OS, it might be more appropriate to distribute the URL address of the MSIL/Access portal's home page and from that page use an easy to use search function for obtaining all OSs assuming that directions are displayed as to how the search function works. Searches could be based on issuer name and/or CUSIP.**

4. *One commentator suggested that issues described under Exchange Act Rule 15c2-12(d)(1)(i) ("limited offerings") be excluded from the "access equals delivery" model, while another commentator suggested that the model be made available for such offerings on a voluntary basis.[16] The draft amendments do not provide such an exclusion. The MSRB seeks further comment on whether such an exclusion for limited offerings should be provided and, if so, why such an exclusion would be appropriate.* **We see no reason for an exclusion.**

5. *To the extent that any commentator believes that an exclusion for limited offerings (with or without the ability of the underwriter to make an election to qualify for the "access equals delivery" model) should be provided, the MSRB seeks comment on issues arising from the provisions described above that would be needed to ensure that customers are provided access to the OS.* **See question above.**

6. *The MSRB seeks further comments from the industry on what parameters are important in determining the suitability of an electronic format for documents accessible through the MSIL/Access system and whether any such formats, other than PDF, currently exist or are in development.* **PDF works well because the free reader program is easily accessible to everyone and is widely used. Other formats used should meet the same criteria. We would like to have options to use other formats should other options be available that meet the criteria.**

7. *The MSRB notes that paragraph (a)(ii)(C) of Rule G-34, on CUSIP numbers and new issue requirements, currently requires underwriters to disseminate CUSIP information by the time of the first execution of a transaction in virtually all new issues. The MSRB seeks comments on whether this would be the appropriate timeframe for requiring CUSIP information and initial offering prices, as well as notice that no OS or POS will be provided (if applicable), to be provided to the MSIL/Access system for public dissemination through the MSIL/Access portals.* **No, this would not be the appropriate time frame. Don't change current timing.**

8. *The MSRB is seeking further comment on such parameters and characteristics for the MSIL/Access portals.* **We envision a system in which we access an online form for submittal of the current "G-36(OS)" information to MSRB and the ability at that point to attach an electronic OS or POS file. We request that the system be user-friendly as to not create a burden for industry participants.**

9. *The MSRB seeks comment on the appropriate limited period of time beyond the end of the new issue disclosure period during which documents should remain publicly available through free MSIL/Access portals in order to ensure that new issue customers have had an adequate opportunity to access and retain copies of such documents.* **6 months**

10. *The MSRB seeks comment on the merits of partially automating the Form G-37 process through information provided on Form G-32. In particular, would the added burden of additional information submissions by underwriters under revised Rule G-32 be outweighed by the possible benefits realized in partially automating the Form G-37 process?* **This automated process should be beneficial for us.**

Thank you for the opportunity to comment on this important matter.

Sincerely,

J. Cooper Petagna, Jr.
President

BEAR STEARNS

Bear, Stearns & Co. Inc.
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New York, New York 10179
Tel 212-272-2000
www.bearstearns.com

March 19, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2007-05: Draft Rule Changes to Establish an Electronic Access System for Official Statements

Bear, Stearns & Co. Inc. ("Bear Stearns") appreciates this opportunity to respond to the January 25, 2007 notice ("Notice") issued by the Municipal Securities Rulemaking Board ("MSRB") in which the MSRB is requesting comments on "the draft rule changes to implement an electronic system for access to primary market disclosure in the municipal securities market". The Notice describes the possible implementation of the "access equals delivery" standards for MSRB proposed Rule G-32, which would be modeled in part on the "access equals delivery" rule adopted by the Securities and Exchange Commission.

At this time, Bear Stearns would like to acknowledge that it participated in the letter submitted by The Securities Industry and Financial Markets Association, dated March 16, 2007, and fully supports that letter.

Regards,

Vincent A. Mazzaro
Senior Managing Director
& Controller of Municipals

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Ernesto Lanza
Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

March 5, 2007

Re: MSRB Notice 2007-05

Dear Ernie:

Bernardi Securities, Inc. believes that the proposed MSIL/Access system would be a great benefit to all participants in the municipal bond marketplace. This system would achieve the goal of providing investors (and potential investors) with the important information contained in official statements in an extremely timely manner. This system would also greatly reduce the cost of fulfilling the delivery of official statements, thus decreasing the overall cost of processing a new issue, and potentially increasing the yield to the end customer.

The MSRB has requested comments on the feasibility of assigning unique URLs to each OS posted on the system. Here are my comments:

Unique URLs are most appropriate when individuals receive the URL in an electronic format as part of a hyperlink. Long URLs are cumbersome to type and could cause confusion. As we are required to provide notice of where to obtain the OS, this notice will generally be part of the paper trade confirmation. We believe it would be easier to provide the customer a URL of the "gateway" page for the system. From there the customer could search for the particular OS by CUSIP, name, state of issue, etc. I recommend that unique URLs not be required, as this would provide confusion to the investors and technical difficulties (see below).

If a unique URL will be required in the rules, this URL should be formulated around the gateway site and the CUSIP. As most dealers will be using some kind of automated method to notify customers, if unique URLs will be required, the algorithm required to create the URL should be built around the CUSIP. For example for CUSIP 123456789, the unique URL could be www.[sitename].com/123456789.[suffix]. While I believe unique URLs would be more difficult to the end investor, if unique URLs will be required, the format should be static, with only the CUSIP changing. This will more easily allow automated systems to provide the specific URL.

I hope the Board finds these comments useful. Please feel free to contact me at (312) 281-2010 if you have any questions.

Sincerely yours,

Eric Bederman

Eric Bederman

CSPN

College Savings Plans Network

September 20, 2007

Ernesto Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street – Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2007-05 – Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

Members of the College Savings Plans Network ("CSPN"), the national organization composed of States that establish and administer Qualified Tuition Plans under Section 529 of the Internal Revenue Code of 1986 ("Section 529 Plans"), wish to thank you for the opportunity to comment on the MSRB's Notice 2007-05 ("Notice"), seeking comments on draft rule changes to establish an electronic access system for official statements. We acknowledge that this comment is submitted subsequent to the deadline announced in the Notice and appreciate your consideration of these comments with respect to particular aspects of an electronic access system as applied to Section 529 Plans despite its late submission.

In this comment CSPN will address three aspects of the Notice: Use of the CSPN website as a MSIL/Access Portal; the application of proposed G-32(b)(i)(A) to Section 529 municipal fund securities; and access equals delivery as applied to Section 529 municipal fund securities generally.

1. CSPN web site as MSIL/Access Portal.

CSPN is proud to note that the significant upgrade to its web site anticipated in the Notice has been successfully implemented. The new web site, found at www.collegesavings.org allows investors to access information about Section 529 Plans in all 50 states and to undertake comparisons of aspects of the plans of interest to investors, including minimum investment amounts and costs associated with the plans. The site also provides a link to the offering materials for each state's Section 529 Plan. All information on the web site is provided by each Section 529 Plan and is not independently verified by CSPN. This web site has been designed as a tool for investor education and information, not for securities compliance.

The notice invites CSPN "to consider operating its utility as a MSIL/Access Portal for the 529 college savings plan market if the exclusion of municipal fund securities from the 'access equals delivery' model is eliminated at some point in the future." In considering the proposal that the web site become a MSIL/Access Portal, CSPN first notes that the state issuers (who are also members of CSPN) are not regulated by the MSRB. Should the CSPN web site become a MSIL/Access Portal, it is possible that the MSRB would want to apply regulatory oversight to at least those aspects of the web site considered part of the portal. Moreover, the current provision by state issuers of information to the CSPN web site is entirely voluntary. Should the site become a MSIL/Access portal, it would be tantamount to requiring the states to submit offering documents for regulatory purposes. While many of the entities that serve as program managers for Section 529 Plans have that regulatory obligation, the MSRB's prohibition on regulating states, precludes such a requirement. CSPN would not choose to compromise that regulatory posture by agreeing to run a MSIL/Access portal, particularly one described in the Notice that would require submission of materials to a central source, rather than providing links to individual program web sites. In addition, if the CSPN site were to serve as a MSIL/Access Portal, there would be major cost and liability issues involved in its conversion and the state members of CSPN would need to agree to shoulder the costs and risks of operating the converted CSPN site. This would be a very difficult sell especially in view of the recent voluntary wholesale revamping of the CSPN site to accommodate MSRB concerns regarding comparability, accessibility and understandability.

CSPN also notes that unlike other municipal securities, the sale of Section 529 Plans is made largely to individual investors. If the MSRB is maintaining a site similar to the SEC's EDGAR, it seems appropriate that there be one official available site that investors know they can turn to, rather than risk multiple sites with potentially conflicting or confusing information or approaches to presenting the same information.

In its comment letter dated September 22, 2006 ("September 2006 Comment Letter"), CSPN offered comments on a centralized web site generally. CSPN continues to have the concerns noted in the September 2006 Comment Letter. CSPN fully supports the MSRB's goal of providing all market participants with a realistic opportunity to access Offering Statements and other documents and information throughout the life of the securities in a non-cost prohibitive manner while encouraging market-based approaches to meeting the needs of investors. Moreover, should the MSRB implement the MSIL/Access portal, CSPN would consider providing a direct link from its web site to such portal, with appropriate disclosures that the investor is leaving the CSPN web site and entering the web site of the MSRB. CSPN would also consider working with the MSRB, to use the information that resides on MSRB's MSIL/Access Portal for use on the CSPN website.

2. The Application of proposed rule G-32(b)(i)(A) to Section 529 Plan Official Statements

Proposed rule G-32(b)(i)(A) provides:

> (A) Subject to paragraph (B) of this subsection (i), each underwriter in a primary offering of new issue municipal securities shall submit the official statement to the MSIL/Access system within one business day after receipt of the official statement from the issuer or its designated agent, but by no later than the closing date.

Although this makes no change to the language currently in rule G-36, CSPN would like to note that unlike most municipal securities, Section 529 municipal fund securities are continuously offered and are offered to individual investors. Additionally, the printing and distribution process for Section 529 municipal fund securities differs significantly from that process for municipal securities. Thus, in many instances the issuer will approve what might be considered a final version of the Official Statement for the Program Manager to send to the printer with the expectation that it would not be available for new or existing program participants for several weeks. It would be confusing for a Program Manager to be obligated to file a new Official Statement in advance of the date when such Statement is released (i.e. its effective date) for use in selling 529 municipal fund securities to its customers. If this were to occur, the MSIL/Access Portal would provide a different Offering Statement (i.e. the upcoming Statement) than the one applicable to the securities currently being sold. CSPN interprets this section to require filing the Official Statement on the MSIL/Access system by the obligated entity no later than the date appearing on the Official Statement.

3. Access Equals Delivery Applied to Section 529 Plans

In the September 2006 Comment Letter we noted that there were several questions and concerns relative to the implementation of an Access Equals Delivery Standard with respect to 529 Plans in light of the facts that (i) they are continuously offered, (ii) a general industry practice has developed of delivering the offering materials prior to or at the time of sale and (iii) mutual fund securities have not been included in an Access Equals Delivery Standard. I have attached a copy of that letter for your reference. We applaud your efforts to streamline the dissemination of official statements and would be happy to discuss any of our questions, concerns and observations with you at your convenience. You may contact Elizabeth Bordowitz, Chair, CSPN Lawyer's Committee at (207)-623-3263, Ext. 223 or Mary Anne Busse at (248) 547-4500. Thank you, again for the opportunity to offer our observations on Access Equals Delivery.

Very truly yours,

Jacqueline T. Williams

Jackie T. Williams, Chair
College Savings Plans Network

Enc.
Cc: Elizabeth Bordowitz, Chair, CSPN Lawyer's Committee

CSPN

College Savings Plans Network

September 22, 2006

Via FedEx and email
Ernesto Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street – Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 – Access Equals Delivery

Dear Mr. Lanza:

The College Savings Plans Network ("CSPN"), the national organization composed of States that establish and administer Qualified Tuition Plans under Section 529 of the Internal Revenue Code of 1986 ("Section 529 Plans"), wishes to thank you for the opportunity to comment on the MSRB's recent Notice 2006-19 regarding an Access Equals Delivery Standard for Official Statement Dissemination. In general, we are in favor of an Access Equals Delivery Standard. We are happy to provide you with the following requested comments with respect to particular aspects of a potential Access Equals Delivery Standard as applied to Section 529 Plans.

Electronic Official Statements

You have asked for comments on *"the current availability of electronic official statements from issuers and the factors affecting future growth in such availability. The MSRB also seeks comment on the nature and level of potential burdens of requiring that all submissions under Rule G-36 be undertaken in electronic format. Further, the MSRB currently requires that electronic official statement submissions be made solely as portable document format (pdf) files. The MSRB requests comment on the advisability of accepting other electronic formats, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors."*

Most 529 Plans, other than certain prepayment plans, are offered on a continuous basis.[1] Offering Materials[2] are currently available for download online through each Plan's

[1] Prepaid College Savings Plans generally have a limited enrollment period associated with a set of prices for purchasing years or units toward college tuition and fees. Prepaid College Savings Plans generally are administered solely by State administrators and not offered or sold by municipal securities dealers, and do not constitute securities in the traditional sense. Accordingly, they would generally be excluded from any official statement dissemination requirements imposed by the MSRB's rules and are not addressed by this letter.

website. All Offering Materials are also available through the CSPN website via link to each 529 Plan's website. Many account owners currently receive full Offering Materials in this fashion before opening an account. Before enrolling in a 529 Plan online or via paper application, each 529 Plan requires the investor to acknowledge the Offering Materials (or, minimally, the official statement). In addition, a significant number of municipal fund securities dealers that distribute 529 Plans currently file official statements for their respective 529 Plan issuers with the MSRB in an electronic format, rather than in a hard copy format. Consequently, implementation of the Access Equals Delivery Standard by any municipal fund securities dealers that choose to take advantage of that option if available should not be difficult.

Because Offering Materials are already provided in an electronic format and many investors enroll online, CSPN would generally support permitting official statement delivery requirements to be satisfied via an electronic access portal. In addition, since each 529 Plan prepares its online materials in PDF file format, we would be in favor of continuing the current MSRB electronic file format as long as the security of PDF files was maintained.

Centralized Website vs. Decentralized System

You have asked for comments on *"whether a centralized website where all official statements for issues in their new issue disclosure period are feely available to the public would be preferable to a decentralized system in which issuers, financial advisors, underwriters, information vendors, printers and others post their respective official statements for the required period, with a central index providing hyperlinks to the official statements."* You also asked for comment on whether the MSRB should undertake the centralizing function, or whether there are other market participants or vendors who could undertake those duties.

As noted above, CSPN's website currently provides centralized access to the full text of the Offering Materials made available by 529 Plans on their respective websites. As you know, we are in the process of enhancing our website. The enhancements and additions we make to our site should satisfy any Access Equals Delivery Standard developed for

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[2] For purposes of this letter, any reference to Offering Materials pertains to the definition of Offering Materials contained in the College Savings Plan Network Disclosure Principles Statement No. 2, dated July 26, 2005 as follows: "all documents identified by the State Issuer as intended to provide substantive disclosure of the terms and conditions of an investment in its Savings Plan. Such Offering Materials may include appendices and physically separate documents. Offering Materials do not include marketing materials or advertisements that do not include substantive disclosure of such terms and conditions or that refer to the Offering Materials as the definitive statement of such terms and conditions. The Offering Materials should present information in a clear, concise and understandable manner." The Offering Materials would include any official statement required to be delivered to the MSRB by a municipal securities dealer.

529 Plans without the need for the MSRB to itself furnish electronic access to the official statements included in the Offering Materials. Because the 529 Plan market is a retail market, utilizing the CSPN website as the centralized access point for electronic disclosure would assist in limiting investor confusion and would support CSPN's efforts over the past several years, with MSRB assistance, to assure the ability of current and prospective account owners to readily obtain 529 Plan disclosure from a centralized website that facilitates their comparison of 529 Plans.

Rule Changes

You have asked for comment on *"whether the "access equals delivery" model should be available on all new issues or whether certain classes of new issues should continue to be subject to a physical delivery requirement. For example, the SEC did not make the "access equals delivery" model available for mutual fund sales. Should this model be made available in connection with the sale of municipal fund securities, including interests in 529 college savings plans?"*

CSPN would like to take this opportunity to identify several questions and concerns relative to the implementation of an Access Equals Delivery Standard with respect to 529 Plans in light of the facts that (i) they are continuously offered, (ii) a general industry practice has developed of delivering the Offering Materials prior to or at the time of sale and (iii) mutual fund securities have not been included in an Access Equals Delivery Standard. We believe that these factors indicate that some modifications or clarifications to the Access Equals Delivery Standard may be appropriate. We have four basic concerns about adoption of the Access Equals Delivery Standard for 529 Plans.

First, the Access Equals Delivery Standard as currently implemented by the Securities and Exchange Commission (SEC) requires a notice to investors that refers investors to EDGAR for retrieval of the final prospectus in lieu of physical delivery of the final prospectus. As noted above, the 529 Plan industry practice, consistent with the general practice for the offering and sale of municipal bonds, is to deliver Offering Materials to 529 Plan investors prior to or at the time of the sale. In contrast to the offer and sales process for municipal bonds, however, there is no "pricing" involved in the sale of 529 Plan securities, and therefore, no distinction between a "preliminary" official statement delivered prior to or at the time of sale and a "final" official statement delivered subsequent to sale. Therefore, for the Access Equals Delivery Standard to achieve the economies and efficiencies that are intended, it would need to be clear that the "final" official statement includes Offering Materials whether delivered prior to, at the time of, or subsequent to the sale.

Second, it may be necessary to modify the Access Equals Delivery Standard to accommodate the continuous offering nature of 529 Plans and the fact that, while 529 Plan Offering Materials are generally updated at least annually (and often more frequently), this does not take place on a predetermined schedule. As a general rule,

updates to Offering Materials are distributed to current plan participants as well as included in subsequently distributed enrollment kits and added to the PDF file available online for the benefit of new investors. Presumably, both (i) a statement in Offering Materials that revised or new Offering Materials will be made available through posting on the 529 Plan website, and on any applicable centralized website; and (ii) posting on the 529 Plan website, and on any applicable centralized website; of notice of the availability of revised or new Offering Materials, would be required in order for the Access Equals Delivery Standard to be relied upon in connection with a particular sale.

We believe that consideration should be given to what, if any, additional notice to current 529 Plan participants of revised or new Offering Materials should be required. It may be possible to email a notice to an investor that provided an email address. The use of email, however, is subject to the risk that the investor may change addresses without notifying the 529 Plan. While some 529 Plans are able to ensure that paper delivery is re-instated if the email address provided by the investor fails, not all 529 Plans currently have the capability to distribute participant-wide email notices. It may be more appropriate for a 529 Plan Access Equals Delivery Standard to remain as the current "opt-in" system utilized to satisfy municipal securities dealer official statement delivery requirements. The opt-in system involves a presumption that investors would receive hard copies of Offering Materials and any updates to those materials unless they affirmatively elected to participate in the Access Equals Delivery process when presented with the option in a written election form.

Third, if 529 Plan materials were hosted on a website other than CSPN's website (or a 529 Plan's own website), we have some concerns about how security would be maintained with regard to the Offering Materials (or at least the official statement) of each 529 Plan. Each issuer of a 529 Plan would need assurance that the Offering Materials delivered to a centralized website would become publicly available on the website exactly as transmitted by the issuer or the municipal fund securities dealer distributing the 529 Plan.

Fourth, we note that the SEC has yet to adopt an Access Equals Delivery Standard for mutual fund securities. Since most 529 Plan investment options are invested in mutual funds, we assume that the SEC would be reluctant to approve an Access Equals Delivery Standard for municipal fund securities unless its concerns relating to use of such a standard for mutual funds were addressed. We are concerned that any standard adopted by the MSRB may be in conflict with the SEC's current position or a standard later adopted by the SEC or result in duplicated delivery or notice requirements for the municipal securities dealers that distribute 529 Plans. However, we note that Offering Materials for 529 Plans tend to be substantially more voluminous than mutual fund prospectuses, and that the cost-benefit analysis involved in avoiding a requirement of physical delivery, with its attendant printing and mailing costs, may tilt more in favor of an Access Equals Delivery Standard in the context of 529 Plans, especially since the

costs associated with physical delivery are a not insignificant factor in the level of fees that 529 Plans are required to assess to customers.

We applaud your efforts to streamline the dissemination of official statements and would be happy to discuss any of our questions, concerns and observations with you at your convenience. You may contact Elizabeth Bordowitz, Chair, CSPN Lawyer's Committee at (207)-623-3263, Ext. 223 or Mary Anne Busse at (248) 990-3886. Thank you, again for the opportunity to offer our observations on Access Equals Delivery.

Very truly yours,

Jacqueline T. Williams

Jackie T. Williams, Chair
College Savings Plans Network

DPCDATA™

Peter J. Schmitt
CHIEF EXECUTIVE OFFICER

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March 9, 2007

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Dear Mr. Lanza:

Following are DPC DATA Inc.'s observations and responses to the questions posed in MSRB Notice 2007-05 on January 25, 2007 regarding draft rule changes to establish an electronic access system for official statements.

Inconsistencies and Misleading Presentations in the Notice

First, I would like to point out some inconsistencies communicated in the Notice, as well as a significant material error of omission that we believe creates a misleading impression of the current general state of municipal primary market disclosure.

In your preface to Notice 2007-05, you state, "The immediate access to OSs for new issue customers provided through the electronic MSIL/Access system would permit significantly faster access to critical disclosure information than under the current dissemination system based historically on the physical movement of OSs by and among brokers, dealers and municipal securities dealers ("dealers") and to customers." While partly true, nowhere in this Notice do you acknowledge the fact that many major entities[1] make POSs, OSs and/or the complete MSIL collection of final official statements and refunding documents available in electronic form broadly to the market. In the case of DPC DATA, we have made our fully indexed archive of official statements and refunding documents (along with any associated document amendments) available online to the general public since 1999. This

[1] DPC DATA Inc.'s online disclosure document repository is available online at www.DPCDATA.com and soon to be released www.MuniFILINGS.com, Bloomberg LP's desktop trading system, and Thomson Financial's official statement collection available at www.TM3.com are examples of significant archives that serve the market. There are also other services such as DPC DATA's DownloadProspectus.com and Ipreo, which distribute electronic POSs and OSs to syndicate members, investors and others at no charge to the recipients. Many financial printing companies also maintain web sites and offer free public access to PDF copies of POSs and OSs.

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archive is available to all market participants, including retail investors, without restriction. Most municipal market participants would agree that our disclosure archive web site is one of the most frequently visited web sites serving the municipal securities market, and it is primarily used for downloading final official statements. The absence of any mention in the Notice of the large number of highly used sources of electronic documents on the web misrepresents the current status of electronic delivery of disclosure documents in the market today. By that same token, we question why you would single out the College Savings Plans Network's plan to provide a web-based comprehensive archive to the market and refer to it as a "utility" for the municipal securities market when it does not yet exist, while you consciously omit any reference to all other proven, comprehensive, web-based archives and online delivery systems that have served as *de facto* market utilities for many years.

We do not recognize the MSRB's description of the proposed MSIL/Access portal concept as an original innovation for the municipal securities market. Since 1999, DPC DATA has successfully deployed our *Muni*DOCS Online™ portal to market participants, enabling them to directly link, through an API, securities records in their proprietary databases and web sites with the corresponding disclosure documents. Our portal not only links final official statements, advance refunding documents and associated document amendments, but also all secondary market disclosure documents and material event notices in the DPC DATA NRMSIR repository. The MSRB's representation in the Notice severely understates the current state of online access to OSs in the market.

We also wish to point out the fallacies in your treatment of the concept of 'free' documents for the entire market, and the analogy you draw with the SEC's EDGAR system. EDGAR is not free. It is an expensive system, and it is subsidized by American taxpayers. It only appears superficially free because there is no charge to users who access the EDGAR web site and download content. If the MSRB carries out the plan put forth in the Notice, the cost will be borne by the broker/dealer community, causing them to subsidize the entire cost of the MSIL/Access system for the market. This appears to be more biased and unfair than recovering the costs from the users of the system based on usage, and it is certainly not analogous to how the EDGAR system is financed. It should also be pointed out that the SEC did not develop and does not maintain the EDGAR system. It delivers the EDGAR system to the market through vendors under contract.[2]

Responses to Specific Questions Raised in the Notice

[2] The current list of vendors who operate and maintain the EDGAR system include Keane Federal Systems, Inc., XBRL US, Inc., Rivet Software Inc. and Wall Street on Demand.

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"...the MSRB seeks comment on whether the MSIL/Access system should provide for voluntary submissions by underwriters of POSs to be made publicly accessible through the MSIL/Access portals."

DPC DATA believes that the municipal market would be better served if the MSIL/Access system accommodated the voluntary submission of POSs and if underwriters were encouraged to submit them through the system. The early receipt of preliminary documents by data vendors enhances data quality throughout the market and promotes the complete capture of new securities description data in all major market systems prior to deal closing. We would go one step further and recommend that the MSRB explore making the submission of POSs by underwriters to MSIL mandatory.

If the MSIL system is to handle the submission of POSs from underwriters, the system will have to be capable of managing version control for these documents. It would not suffice to treat updated versions of POSs for the same deal as new, incremental additions to the document collection. In order to avoid misinformation, the system should handle the automatic cancellation of access to (or deletion of) the older version of the POS, updates to the corresponding data record in the MSIL system, and automatic notification to all recipients in the distribution channel

"The MSRB seeks comment on whether the URL included in the notice to customers should be restricted to a specific MSIL/Access portal or could be for any of the MSIL/Access portals, or whether dealers should be permitted to identify a source other than a MSIL/Access portal."

Since the MSRB's plan calls for the URL for a given document to point to a file that resides only on the MSRB's central portal, and since the other MSIL/Access portals will all present the same URL to the public, the MSRB should be indifferent about which portal dealers direct their customers to for accessing the URL. If dealers want to direct customers to another source that is not an MSIL/Access portal to obtain a copy of the document, we believe the MSRB should look upon this as analogous to dealers' current practice of delivering photocopies of printed documents instead of the printed documents themselves.

A more important threshold issue, as suggested in footnote [14] and footnote [29] of the Notice, is that it appears that the MSRB only plans to provide URLs for documents directly through its proposed web site and through the MSIL/Access portals, and not deliver (or 'push') copies of the definitive PDFs as is its current practice. The MSRB must disclose whether it will continue to affirmatively push PDF files of documents and accompanying descriptive data to vendors, or if it intends for the proposed MSIL/Access system only to deliver URLs and thereby

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require that recipients 'pull' the PDF file on demand. DPC DATA believes that it would not serve the best interests of the market if the MSIL ceased pushing documents to vendors, because it would be harmful to frustrate in any way the production of data derived from these documents that serve the market in many critical ways, ranging from the creation of terms and conditions database products that are essential for trade settlement, to the flow of vendor data into risk management and credit products that drive transactions. All of it is time-sensitive, so the bulk delivery of definitive documents is crucial to the smooth working of the market overall. Clearly, it would be best for the MSRB to push the documents to vendors in real time, simultaneous with the delivery of the URLs to MSIL/Access portals.

Considering that the MSRB does not address in the Notice whether or not it will continue to provide document and data feeds to vendors, it appears that the MSRB may be seeking to supplant completely the commercial interests that serve the market in providing primary market disclosure documents. If so, the system as described in the Notice suggests risk of irreparable impairment of vendors' economic interests.

"The MSRB seeks comment on potential technical difficulties that might result from requiring that the notice include a URL assigned to a specific OS, particularly in respect to assuring that the unique URL for each OS remains operative throughout the time such document remains publicly available. Would it be appropriate to limit the period of time during which the URL for a specific OS is required to be maintained unchanged, such that after such period the OS could be archived and be made accessible through an on-line search function at the MSIL/Access portal? What would be the appropriate period of time (beyond the end of the new issue disclosure period) for maintaining such URLs unchanged prior to permitting OSs to be moved to an archival collection accessible through an on-line search function?"

Since a URL can only resolve to one specific Internet address, and since it appears that the definitive document PDF will only reside on the MSIL/Access server, then there does not appear to be a technical obstacle to distributing multiple copies of the URL to entities all over the Internet. They will all point to the same absolute address for the document file on the MSIL/Access server.

However, this raises a related issue of how the MSIL/Access system will handle hundreds or thousands of simultaneous 'hits' to the same document file and maintain acceptable performance without undue latency. Likewise, if the sanctity of the document file on the MSIL/Access server is disturbed or the server's connection to the Internet is interrupted, then ALL links to it will be broken and the document will become completely invisible to the market until the problem is

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corrected. From a risk management perspective, the basic premise of requiring all market participants who want to view a particular OS PDF file to 'pull' it down from a single-point source, engenders concern, especially if that source is a monopoly provider. This risk of failure is mitigated today by the decentralized, competitive web-based delivery systems that currently exist in the market. People who are in a position to influence the proposed rule change the MSRB seeks in order to accommodate the proposed monopoly model of the MSIL/Access system should carefully weigh this risk against the allure of 'free' documents.

It is not possible for DPC DATA to respond to your question regarding how long a document URL should be made public before being placed in a searchable archive, because the MSRB has not shared enough technical details and specifications in the Notice. DPC DATA currently maintains a searchable archive of more than 246,000 primary disclosure documents[3] that have been mostly sourced from the MSIL system under subscription agreement with the MSRB, and our index and the documents have been available to the general public on our web site since 1999. If the MSRB intends to reproduce the same type and level of indices built with data extracted from the documents as is available in the DPC DATA online document center and web sites provided by other vendors, and offer this service for free to all users indefinitely, it raises the question of how severe the impact would be on private vendors' businesses and their continued ability to support their current level of services and secondary products, which are consumed by the entire spectrum of the municipal marketplace. Alternatively, if the MSRB simply intends to provide nothing more than the same quality of documents and accompanying data elements that it currently sells in its MSIL subscription service with the only change being online access, then we anticipate that the impact would be less severe. Until the MSRB offers more clarity about its intentions, it is impossible for us to discuss the precise implications or offer a concrete response.

"The MSRB seeks further comment on whether ... an exclusion for limited offerings should be provided and, if so, why such an exclusion would be appropriate."

DPC DATA believes that the interests of the market as a whole would be better served if there were no exemptions under SEC Rule 15c2-12 for publicly issued securities or for limited offerings. Removing the exemptions from SEC Rule 15c2-12 and from any MSRB rule pertaining to final official statement delivery would favor transparency.

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[3] This number is effective as of March 5, 2007, and it includes 199,150 official statements, 28,827 refunding documents, and 18,387 associated document amendments, all referenced in 359,416 separate series of bonds and notes. These numbers do not include the additional 631,672 secondary market disclosure documents and material event notices that are indexed to them in our system as of this date.

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"The MSRB seeks further comments from the industry on what parameters are important in determining the suitability of an electronic format for documents accessible through the MSIL/Access system and whether any such formats, other than PDF, currently exist or are in development"

New data formats and presentation schemes are constantly under development in the market. Which of these formats will possess the critical elements for success in the future is unpredictable. We believe that the list of critical elements necessary for success, in terms of what the MSRB should require, include the following at a minimum: (a) The format must not require the end user to purchase specialized software to read a file; (b) the creator of an official statement in the format must have the ability to 'lock' the resulting file such that another party would be unable to alter it; (c) the format should be ubiquitous and supported by all operating systems, and (d) it should preserve the look and feel of the original document as if it had been produced on paper. The only format generally available today that meets all of these criteria is PDF.

It is unclear at this moment whether other formats will ever fully address all of the essential elements. Since the proposed rule change imposes definitive standards on broker/dealers and their agents who will be submitting documents and data to the MSIL system online, the MSRB has a golden opportunity to choose formats that either have or are gaining broad popularity not just in the municipal securities market, but across all markets and industries. Our recommendation is to require that (i) all official statements, refunding documents and amendments be submitted in PDF form, and (ii) all descriptive data be captured in formatted fields on the MSIL web site and validated, and then converted automatically through a parser into XML and stored in that format for distribution.

"The MSRB seeks comments on whether this would be the appropriate timeframe for requiring CUSIP information and initial offering prices, as well as notice that no OS or POS will be provided (if applicable), to be provided to the MSIL/Access system for public dissemination through the MSIL/Access portals."

DPC DATA believes that the MSRB's proposed change to rule G-32 which would require the initiation of a deal record in the MSIL system with CUSIP numbers and initial offering prices at the time of bond sale is appropriate and recommended. However, a parallel system of accepting, disseminating and tracking POSs in the system that does not rely on CUSIP numbers or coupon and maturity data to initialize a filing would have to be implemented if the MSIL/Access system were to include dealer submissions of POSs. The reason is that the true benefit of including POSs in the collection would be to make the POSs available at the

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earliest possible date, whereas the CUSIP numbers are only available at approximately the date of the underwriting.

"The MSRB seeks comment on whether there is any justification for retaining [the exclusion of commercial paper from the definition of new issue municipal securities], given the modifications to the disclosure dissemination system that would be made."

DPC DATA does not believe there is any justification for retaining the exemption for commercial paper.

"The MSRB is seeking further comment on ...parameters and characteristics for the MSIL/Access portals.

As a longstanding vendor of disclosure documents and information to the municipal market, it is our opinion that the MSRB's portal concept, whereby only URLs to specific documents are provided to MSIL/Access portal operators, is prejudicial to the economic interests of existing vendors whose delivery services require that the definitive PDF file be archived on their web sites for public access. It is our expectation that the MSIL will continue its current delivery service for official statements, refunding documents and document amendments in PDF form and enhance it by offering real time delivery over the Internet instead of the current practice of daily delivery of this content on CD-ROM. However, the MSRB has offered no indication in the Notice of what its intentions are with regard to the continuation or discontinuation of its MSIL service to vendors, and must clarify its position.

We note some apparently conflicting statements in the MSIL/Access portal concept disclosed in the Notice as it pertains to vendors. For example, the MSRB offers that portal operators "...could provide these services on such commercial terms as they deem appropriate...", but at the same time the MSRB would require them "...to provide the URL for the specific OS and any amendments thereto...for free throughout the new issue disclosure period and for a reasonable limited period of time thereafter..." If the documents are in the public domain and the general public can obtain free access to the document URL by going directly to the MSRB's central portal, what is the MSRB's justification for restricting the commercial activity of vendors who would otherwise provide enhanced services for document delivery for a fee? This could be construed as interfering with standard commercial processes of private businesses, especially since users who do not want value-added services would have options to go to other portals.

"The MSRB seeks comment on the appropriate limited period of time beyond the end of the new issue disclosure period during which documents should

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remain publicly available through free MSIL/Access portals in order to ensure that new issue customers have had an adequate opportunity to access and retain copies of such documents."

DPC DATA is of the opinion that it would be appropriate for the primary MSIL/Access portal to offer new OSs to the public for free during the new issue disclosure period and for a period not exceeding twenty-five days after the closing date. Leaving the document available for free after this length of time would impair the economic interests of information vendors that currently make OSs available on a commercial basis.

"The MSRB seeks comment on the merits of partially automating the Form G-37 process through information provided on Form G-32. In particular, would the added burden of additional information submissions by underwriters under revised Rule G-32 be outweighed by the possible benefits realized in partially automating the Form-G-37 process?"

DPC DATA has no comment with regard to automating the Form G-37 process.

Summary Observations and Conclusion

As a member of the vendor community and as a representative of the interests of our customers, we look for the MSRB to explain why it has chosen this path to improve efficiency of dissemination of OSs to the market instead of any other path that would include vendor involvement. The MSIL/Access system appears to have been conceived in a relative vacuum by the MSRB, and it is presented in the Notice as a *fait accompli.* The proposed system's broader impact on the market, on other essential vendor products already in the market, and the benefits of competition among commercial firms that must operate efficiently and provide excellent service to the marketplace do not appear to have been carefully evaluated or factored into the MSRB's apparent decision to go forward with the plan as described in the Notice. In many cases, the MSRB has not presented adequate technical specifications or service design details that would be necessary to answer some questions raised in the Notice, especially those that may involve economic impairment of vendors or potential anticompetitive behavior.

The basic premise of the MSIL/Access system that each PDF version of an OS will only reside on the MSRB's central portal server ignores the practical problem of response time and latency, and it does not address the likelihood of local *force majeure* events causing documents to be unavailable.

A careful examination of the Notice raises additional questions. Clearly, one of the most glaring omissions is the lack of information about the MSIL/Access project

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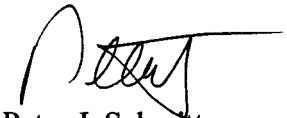
from a normal project management perspective that includes objectives, costs and funding, specific user concerns, and implementation dates. Furthermore, at the level of description offered, the only meaningful distinction between the current new issue market disclosure dissemination regime carried out by vendors and the proposed monopoly of the MSIL/Access project is the idea that access to users will be free of charge. The implications of 'free' should raise other questions about the short-term and long-term objectives of the project, and its viability as a sole venue of mandatory primary market disclosure dissemination.

The industry should question the wisdom of the MSRB investing the sums of money and the time that would be required to replicate the back-end data production systems, web delivery mechanisms, and the databases of vendor systems that already exist and function at the highest levels of efficiency and reliability. If improving the efficiency of primary market disclosure dissemination practices in the municipal market is the MSRB's true objective, then it could accomplish this simply by (a) consolidating rules G-36 and G-32 as proposed to require more timely submission of deal data and the submission of documents in electronic form only, and (b) delivering these materials in real time to vendors along the lines of straight-through-processing. Further, the MSRB could offer better terms to vendors for this feed if the vendors would agree to make the OSs available to the general public free of charge during the underwriting period and for a brief, defined period thereafter.

All of the objectives stated by the MSRB in the Notice could be met under such an arrangement, and they could be met at extremely low cost without delay. DPC DATA is prepared to cooperate with the MSRB because it would benefit all involved and make best use of existing, proven web distribution channels. We suggest that replicating these vendor channels, which have evolved to serve the market under intense competitive pressure, makes questionable sense when there are faster, less expensive and more efficient alternatives at hand that could meet the same objectives.

Yours truly,



Peter J. Schmitt
Chief Executive Officer

Griffin, Kubik, Stephens
& Thompson, Inc.

300 Sears Tower / 233 South Wacker Dr. / Chicago, IL 60606 / 312•441•2500

March 14, 2007

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2007-05: Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

Reference is made to the comment letter submitted by the Securities Industry and Financial Markets Association ("SIFMA") with respect to the above notice.

We have analyzed the MSRB Notice in depth and have actively participated in the formulation of the SIFMA comment letter. We completely agree with the analysis and conclusions contained in the SIFMA letter.

Thank you for the opportunity to comment.

Very truly yours,
Griffin, Kubik, Stephens & Thompson, Inc.

Robert J. Stracks
Counsel

RJS/ays

cc: Mary Lee Corrigan, Griffin, Kubik, Stephens & Thompson, Inc.
Janis C. Brennan, Griffin, Kubik, Stephens & Thompson, Inc.
Joyce L. Miller, Griffin, Kubik, Stephens & Thompson, Inc.
Leslie M. Norwood, Securities Industry and Financial Markets Association

March 9, 2007

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Ste. 600
Alexandria, VA 22314-3412

Re: MSRB NOTICE 2007-05 (JANUARY 25, 2007)
MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza,

Ipreo Holdings LLC applauds the efforts of the MSRB to move the municipal markets to the more efficient and cost-effective Access Equals Delivery (AED) model for delivering offering documents and certain other related information. Ipreo (through its operating subsidiary, i-Deal LLC) looks forward to working with the MSRB and market participants during the implementation of the AED model for final prospectuses in the municipal bond industry. For over 20 years, we have supported the municipal industry by providing workflow solutions that enable our clients to manage the syndication process from start to finish. With over 10 years of experience in electronic document technologies we believe we can provide important contributions during the implementation of the AED model.

In addition to supporting the municipal bond market, we also provide workflow solutions to the fixed income and equity markets. Ipreo's eProspectus Offering is utilized by numerous market participants to fulfill the AED regulations that affect these markets. In fact, Ipreo recently launched its ProspectusDirect website, a public portal that serves as a repository for AED-eligible final prospectuses in the fixed income and equity markets. Our expertise in the development and ongoing maintenance of this website puts us in strong position to assist the municipal market in this similar endeavor.

In reviewing MSRB Notice 2007-05, we believe consolidating reporting requirements into revised Rule G-32 will make the industry more efficient by eliminating paperwork and data-entry involved in completing and then filing Forms G-36(OS) and G-36(ARD). As stated in MSRB Notice 2007-05: "As revised, Rule G-32 would require all submissions by underwriters to the MSRB to be made electronically. All OS submissions and other related documents and information would be made available on a "real-time" basis to investors and other market participants through the MSIL/Access portals." Many market participants currently use Ipreo's Municipal Bookrunning System to complete the G-36(OS) and G-36(ARD) forms. Clients utilizing our system can currently upload

required data attributes into the G-36(OS) and G-36(ARD) forms, eliminating re-keying. We envision a workflow that would continue to offer this functionality for current or revised MSRB forms and also provide the end-user the ability to upload the OS and submit the document and relevant forms to the MSIL/Access Site, making this information available to investors in real time. The underwriter would be provided with an audit trail of this action, providing proof it was sent to the MSRB in a timely basis.

The following are our responses to questions posed in MSRB Notice 2007-05:

In addition, the MSRB seeks comment on whether the MSIL/Access system should provide for voluntary submissions by underwriters of POS's to be made publicly accessible through the MSIL/Access portals.

Providing for voluntary submissions of the POS will help investors by increasing transparency in the market, giving investors access to transaction-related documents in electronic format to meet Rule G-17 best practice guidelines. Ipreo has a service, i-Deal Prospectus, that has been utilized for electronic dissemination and posting of POS's and OS's for close to 10 years. We would continue offering this service to our clients, including broker-dealers, financial advisors and issuers, as a vehicle to electronically deliver hyperlinks to transaction-related offering documents to investors and other market participants.

The MSRB seeks comment on whether the URL included in the notice to customers should be restricted to a specific MSIL/Access portal or could be for any of the MSIL/Access portals, or whether dealers should be permitted to identify a source other than a MSIL/Access portal.

The URL included in the notice to investors should not be restricted to a specific MSIL/Access portal. For example, many investors already have online access to brokerage accounts, and through single sign-on, those investors could also access the POS and/or the OS via a site managed by a specific broker-dealer or service provider that has contracted with the broker-dealer to provide access to such documents. Allowing for alternative MSIL/Access portals will ultimately help investors because of their ability to see order history, trade confirmations and the relevant documentation associated with those transactions across multiple security types from one location. Alternative MSIL/Access portals can also benefit investors who may want enhanced searchability of documents across security types, including municipal securities. Ipreo's ProspectusDirect platform currently offers access to final prospectuses to participants in the fixed income and equity capital markers that are AED-eligible. We plan to extend this service to our municipal clients as well.

The MSRB seeks further comments from the industry on what parameters are important in determining the suitability of an electronic format for documents accessible through the MSIL/Access system and whether any such formats, other than PDF, currently exist or are in development.

In order to maintain consistency and to minimize the burden to the investor, Ipreo recommends that the MSRB utilize PDF as its desired format for the MSIL/Access System. Adobe Acrobat software can be downloaded for free and is currently widely utilized by both institutional and retail investors. We also recommend that the PDF's submitted to the MSIL/Access System are converted to PDF from their source documents and are not scanned (although we realize that there will be cases in which components of the document, such as financials, that will need to be scanned). This will keep the files smaller in size and easier to download and print, if the investor chooses to do so.

Once again, Ipreo appreciates the opportunity to respond to the MSRB's request for comments for this important initiative. We look forward to working with industry participants in implementing an "Access Equals Delivery" model in the Municipal market.

Best regards,

Kevin Colleran
Vice President

National Association
of Bond Lawyers

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Washington, D.C. 20005

March 12, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2007-05 (January 25, 2007)
MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

The National Association of Bond Lawyers ("NABL") respectfully submits the enclosed response to the Municipal Securities Rulemaking Board ("MSRB") solicitation of comments on MSRB Notice 2007-05, dated January 25, 2007 (the "Notice"), regarding proposed changes to the MSRB's Rules G-8, G-9 and G-32, and the rescission of Rule G-36. The comments were prepared by an *ad hoc* subcommittee of NABL's Securities Law and Disclosure Committee.

In the Notice, the MSRB requests specific comments regarding its proposed rule changes, and NABL has provided comments in response to certain of these requests. As indicated in the earlier comments NABL submitted with respect to MSRB Notice 2006-19, NABL has not and does not expect to offer comments regarding the most desirable technical features of any new electronic filing system. However, NABL strongly supports the concept of "access equals delivery" that is embodied in the proposed rule changes. In particular, NABL encourages development of a "one-stop shopping" approach that will provide issuers, investors and other municipal market participants the most efficient and cost-effective method for providing and accessing information.

National Association of Bond Lawyers

NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance. A professional association incorporated in 1979, NABL has approximately 3,000 members and is headquartered in Chicago.

If you have any questions concerning the comments, please feel free to contact me at 949/725-4237 (CLEW@sycr.com), or Jeff Nave at 509/777-1601 (navej@foster.com), or Elizabeth Wagner, Director of Governmental Affairs at 202/682-1498 (ewagner@nabl.org).

Thank you in advance for your consideration of these comments with respect to this important development in the municipal securities industry.

Sincerely,

Carol L. Lew

Carol L. Lew

Enclosure

cc: Teri M. Guarnaccia
William L. Hirata
Andrew Kintzinger
John M. McNally
Jeffrey C. Nave
Walter J. St. Onge III
Fredric A. Weber

National Association of Bond Lawyers

COMMENTS
OF THE
NATIONAL ASSOCIATION OF BOND LAWYERS
REGARDING
MSRB NOTICE 2007-05

DRAFT RULE CHANGES TO ESTABLISH AN
ELECTRONIC ACCESS SYSTEM FOR OFFICIAL STATEMENTS

The following comments are submitted to the Municipal Securities Rulemaking Board ("MSRB") on behalf of the National Association of Bond Lawyers ("NABL"). The comments relate to the MSRB Notice 2007-05 — MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statements, dated January 25, 2007 (the "Notice"). The comments were prepared by an *ad hoc* subcommittee of the NABL Securities Law and Disclosure Committee. The members of the *ad hoc* subcommittee (the "Subcommittee") are Teri M. Guarnaccia, William L. Hirata, Andrew Kintzinger, John M. McNally, Jeffrey C. Nave, Walter J. St. Onge III, and Fredric A. Weber.

NABL welcomes this opportunity to respond to the MSRB's continuing initiative to develop an electronic system for dissemination of municipal securities disclosure documents. Moreover, NABL expects that the proposed rule changes will benefit all market participants by simplifying the delivery of disclosure materials (including the submission of documents to the MSRB) and improving access to these disclosure materials.

The Notice poses several questions, some of which relate to the technology necessary to implement the proposed rule changes. NABL has no particular insight into the most desirable technical features of any new system adopted by the MSRB to implement the rules. As a result, the Subcommittee focused its comments on those particular questions as to which it believes it has relevant expertise. The headings shown below correspond to the MSRB's requests in the Notice.

Should the MSIL/Access system provide for voluntary submissions by underwriters of preliminary official statements ("POSs") to be made publicly accessible through the MSIL/Access portals?

Yes. In the Subcommittee's experience, the use of electronic POSs is widespread and has become the current industry standard with respect to publicly-offered municipal securities. The MSRB should permit underwriters and issuers to submit POSs to, and permit investors to access POSs from, the MSIL/Access system on a voluntary basis. The Subcommittee recognizes, however, that certain offerings are intentionally directed to a limited scope of investors (*e.g.*,

transactions under Regulation D promulgated under the Securities Act of 1933 or transactions involving conduit borrowers with proprietary or confidential information). For this reason, any submission of POSs allowed under Rule G-32 (or other appropriate rule) should be solely on a voluntary basis.

The Subcommittee believes that once the timeliness of a POS has ended, issuers and underwriters should be permitted to request that a POS be removed from the MSIL/Access system, as its continued availability may confuse investors.

In addition to POSs, the Subcommittee believes it would be helpful if Rule G-32 allowed for the voluntary submission of official statements ("OSs") for previously issued securities to the MSIL/Access system. The Subcommittee believes that developing a single point of access for current and historical disclosure information will be beneficial to the municipal market. That single point of access could be achieved through the MSIL/Access or an alternative service.

Should the URL included in the notice to customers be restricted to a specific MSIL/Access portal? Should such URL be for any of the MSIL/Access portals? Should dealers be permitted to identify a source other than a MSIL/Access portal?

To address the specific questions raised by the Notice, the Subcommittee believes that the notices delivered to customers should direct users to any source, including but not limited to a URL for a specific MSIL/Access portal, that (i) is either free or approved by the customer (so that advertising revenue or customer fees can subsidize information distribution costs), and (ii) maintains a record of posting. If sources other than (or in addition to) a MSIL/Access portal are authorized by Rule G-32, the MSRB should maintain oversight responsibilities to ensure that access to the source is reliable (both in the sense that the customer notice directs viewers to the appropriate document and the source remains accessible at all times).

The Subcommittee also believes that the MSIL/Access portal system and any other source used by dealers should allow potential investors to search for all POSs and OSs that have been submitted and are not otherwise restricted from viewing (as described below). Accordingly, the Subcommittee suggests that the MSRB adopt a system in which a single website is employed that would allow users to enter a CUSIP number and/or a search phrase to access available documents (each with its own URL) associated with such CUSIP number or search phrase.

Finally, to the extent a specific URL is used for each document submitted under Rule G-32, the Subcommittee believes that such URL should be catalogued by the MSRB for research purposes. In other words, once a document is made available through the MSIL/Access system, a link to the document should remain available for as long as the related bonds are outstanding. The system also should identify any subsequent supplements and amendments to filed documents.

What potential technical difficulties might result from requiring that the notice include a URL assigned to a specific OS, particularly in respect to assuring that the unique URL for each OS remains operative throughout the time such document remains publicly available?

The Subcommittee does not have specific comments regarding this question.

Would it be appropriate to limit the period of time during which the URL for a specific OS is required to be maintained unchanged, such that after such period the OS could be archived and be made accessible through an on-line search function at the MSIL/Access portal? If so, what would be the appropriate period of time (beyond the end of the new issue disclosure period) for maintaining such URLs unchanged prior to permitting OSs to be moved to an archival collection accessible through an on-line search function?

If the MSRB adopts a system in which a URL is used for each OS, then such URL should be maintained for *at least* the longest period of time that a "participating underwriter" is required to provide potential customers with a copy of the OS under Rule 15c2-12 of the Securities and Exchange Commission ("SEC"). The same time period should be adopted by analogy for those offerings that are outside the scope of Rule 15c2-12.

The Subcommittee suggests that a separate archive system for the MSIL/Access system is not necessary, and further suggests that the URL for a particular document be unchanged at least until the bonds associated with such document are no longer outstanding. Because all filed documents would "speak as of their date," the Subcommittee does not believe an archive component is necessary. If, however, the MSRB were to adopt a system of archiving documents submitted pursuant to Rule G-32, then the initial URL created for each document should be used for the entire period of time the document is available through the MSIL/Access system. We understand that a separate URL would be necessary if documents are archived to a different page on the MSIL/Access website (or to a different website).

Should an exclusion from the "access equals delivery" model for limited offerings be provided? If so, why would such an exclusion be appropriate?

An exclusion should be provided from any mandatory filing requirement, but not from voluntary filing by issuers and underwriters. While Rule G-32 in its current form applies to both private and public offerings (see footnote 68 in SEC Release 34-26985 (adopting Rule 15c2-12)), allowing an exclusion from "access equals delivery" model for limited offerings would be consistent with the SEC's rationale for incorporating exemptions in Rule 15c2-12: that given the manner and types of certain offerings to sophisticated investors, the specific delivery requirements of the Rule for such offerings are not necessary to prevent fraud or encourage dissemination of information to the market. Many offerings that are described by paragraph (d)(1)(i) of Rule 15c2-12 are made by means of limited primary offering disclosure that is targeted to sophisticated investors.

The Subcommittee recognizes that, by requiring a limited offering OS to be submitted under Rule G-32, a broker, dealer or municipal securities dealer might effectively be forced to make an otherwise limited offering document publicly available. The Subcommittee believes that such a dilemma can be resolved by(i) allowing such OSs to be filed electronically on a voluntary basis (giving the transaction participants the ability to determine whether the filing is appropriate to protect the confidential nature of the document); or (ii) if an exclusion for limited offerings is not provided, requiring that access to the OS be password restricted at the option of the party filing the document.

If an exclusion for limited offerings (with or without the ability of the underwriter to make an election to qualify for the "access equals delivery" model) should be provided, what provisions might be needed to ensure that customers are provided access to the OS?

The MSRB can address this concern with a modification to the record-keeping requirements of Rules G-8 and G-9.

What parameters are important in determining the suitability of an electronic format for documents accessible through the MSIL/Access system? Other than PDF, are any such formats currently in existence or under development?

NABL's comments regarding MSRB Notice 2006-19 (submitted on September 14, 2006) briefly describe why portable document format ("PDF") files are commonly used in the public finance industry. In keeping with these comments, the Subcommittee believes that PDF files should continue to be used until, and unless, a better electronic format for documents is developed. At a minimum, the parameters of such an electronic format should be as follows:

- the software needed to open and read such electronic documents files should be readily available to market participants (including individual investors), should be user-friendly, and should be available as a free download from the Internet;

- the format should protect the integrity of documents that are transmitted electronically (*i.e.*, documents should not be capable of being altered once they have been submitted); and

- consumers should be familiar with the format before it is adopted, as ease of use and familiarity by the investing public will aid in the use and acceptability of electronic documents.

What is the appropriate timeframe for requiring CUSIP information and initial offering prices, as well as notice that no OS or POS will be provided (if applicable), to be provided to the MSIL/Access system for public dissemination through the MSIL/Access portals?

The Subcommittee does not have specific comments regarding this question.

Is there any justification for retaining the "commercial paper" exclusion in the definition of "new issue municipal securities," given the modifications to the disclosure dissemination system that would be made?

Yes. The Subcommittee believes there is a limited number of potential purchasers of commercial paper in the municipal securities context, and that those purchasers are accredited investors whose relationship with the commercial paper issuer is similar to the relationship between a lender and a borrower. However, while the Subcommittee believes the "commercial paper' exclusion should be maintained in Rule G-32, the Subcommittee also believes that voluntary filing of OSs with the MSIL/Access system should be permitted.

Provide comments on the parameters and characteristics for proposed MSIL/Access portals that might be established by commercial entities to make available publicly the basic documents and information provided through the MSIL/Access system, together with such other documents, information and utilities (e.g., indicative data, transaction pricing data, secondary market information, analytic tools, etc.) as each such entities may determine.

The Subcommittee believes that, if a MSIL/Access portal is inconvenient to potential investors (*e.g.*, it is intermittently inaccessible, or users encounter delays when the access portal "loads" on the viewer's screen or information is downloaded), then it should not be qualified. The market should be able to enforce performance standards on its own.

What is the appropriate limited period of time beyond the end of the new issue disclosure period during which documents should remain publicly available through free MSIL/Access portals in order to ensure that new issue customers have had an adequate opportunity to access and retain copies of such documents?

As discussed above, the Subcommittee believes documents should be maintained on a free MSIL/Access portal for the longest period of time that a "participating underwriter" is required to provide potential customers with a copy of the OS under Rule 15c2-12 (or would have been required to provide such copies if Rule 15c2-12 applied to the offering).

The Subcommittee also believes that it would be helpful to the municipal securities marketplace to have free access portals where documents provided under Rule G-32 are publicly available until the date the securities being offered are no longer outstanding, whether due to maturity or redemption).

What are the merits of partially automating the Form G-37 process through information provided on Form G-32? Would the added burden of additional information submissions by underwriters under revised Rule G-32 be outweighed by the possible benefits realized in partially automating the Form G-37 process?

While certain members of NABL advise brokers, dealers and municipal securities dealers with respect to their compliance obligations under Rule G-37, the Subcommittee believes these questions are best addressed by those who are responsible for filing Form G-37.

SIFMA
Securities Industry and
Financial Markets Association

March 16, 2007

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2007-05: Draft Rule Changes to Establish an Electronic Access System for Official Statements

Dear Mr. Lanza:

The Securities Industry and Financial Markets Association ("Association")[1] appreciates this opportunity to respond to the notice ("Notice") issued by the Municipal Securities Rulemaking Board ("MSRB") on January 25, 2007 (Notice 2007-05) in which the MSRB requests comment on draft rule changes to apply the "access equals delivery" standard to official statement dissemination for new issue municipal securities. The proposed new electronic system, to be designated by the MSRB as the "MSIL/Access" system, would build on the MSRB's existing Municipal Securities Information Library ("MSIL") system to provide Internet-based access to official statements and certain other documents and related information. The Notice sets out the MSRB's proposals for consolidation of current MSRB Rules G-32 and G-36 into a single substantially revised Rule G-32. The Notice describes a potential framework for instituting "access equals delivery" standards for MSRB proposed Rule G-32, modeled, in part, on recent rule changes adopted by the Securities and Exchange Commission ("SEC") for prospectus dissemination in connection with the registered securities market.[2]

The Association supports the creation of MSIL/Access and the development of the "access equals delivery" standard for official statement delivery requirements. In our comment on the MSRB's Concept Release of July 27, 2006,[3] the Association stated that the key to success for implementation of a comparable system (to the SEC's system) for MSRB rules is that the proposal must meet the readily available, free of charge standard, that it

[1] The Association, or "SIFMA," brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

[2] Securities Act Release No. 8591 (July 19, 2005), 70 Fed. Reg. 44722 (August 3, 2005).

[3] MSRB Notice 2006-19 (July 27, 2006).

promotes efficiency in the market and that it meets criteria for "flow through" processing of information. The Association believes the Notice promotes these objectives and that the MSRB should continue the process of eventually achieving these goals. The following comments are in response to the requests for comments in the Notice.

1. The MSRB seeks comment on whether the MSIL/Access system should provide for voluntary submissions by underwriters of preliminary official statements to be made publicly accessible through the MSIL/Access portals.

The Association notes that the proposed rule changes require submission of preliminary official statements, if prepared, when the underwriter has not received the final official statement by closing. Accordingly, it will be necessary for MSIL/Access to be designed to accommodate receipt of preliminary official statements. We further note that this request for comment is in a paragraph of the Notice summarizing the importance of material disclosures by dealers to customers at the time of trade pursuant to the MSRB's interpretation of Rule G-17 on fair dealing. Unlike the corporate market for registered securities in which a final prospectus is prepared on the effective date, and more likely to be available through EDGAR at the time of trade, final official statements in the municipal market may not be prepared for several days after the sale date. This circumstance increases the importance of preliminary official statement disclosure at the point of sale as a means for providing customers with material information.

The Association believes that in an increasingly electronic environment, it would be beneficial to dealers if underwriters have the option to submit preliminary official statements to the MSIL/Access system. However, as in the traditional paper markets, it is important for customers to be aware of the availability of the final official statement as a replacement of the preliminary official statement. MSIL/Access should be designed to (i) provide a flag notation on the preliminary official statement giving notice of the availability of the final official statement, or (ii) create an auto email channel at MSIL/Access for the reader of the preliminary official statement to be automatically emailed when a final official statement and any amendments are submitted in connection with the issue on screen. Regardless of voluntary submissions of preliminary official statements, this feature should be included in the system as now proposed, which requires submission of a preliminary official statement in certain circumstances.

The preliminary official statement should not be deleted automatically when the final official statement is available online. In the paper environment, investors and analysts, who have read the preliminary official statement, will frequently compare the preliminary official statement with the final official statement to note any changes. The ability to compare is important because changes, by themselves, may be significant to the reader. If an

underwriter submits the preliminary official statement to MSIL/Access, it should remain available at the site until the end of the "new issue disclosure period."

Please note that the same issue of notification of the existence of updated information in MSIL/Access occurs if there is an amendment to the final official statement. In the paper market, the term "sticker," and the mailing of stickered final official statements to prior recipients of final official statements should be applied by MSIL/Access to provide a stickered official statement for an "access equals delivery" electronic environment. If there is a sticker, there should be an electronic means to attach it to the official statement, or to notify the online reader of the official statement that there is an amendment.

2. The MSRB seeks comment on potential technical difficulties that might result from requiring that the notice include a URL assigned to a specific official statement, particularly in respect to assuring that the unique URL for each official statement remains operative throughout the time such document remains publicly available.

The Association opposes the necessity to provide customer notice of a uniform resource locator (URL) assigned to a specific official statement. The proposed rule change would require a dealer, who is subject to the final official statement delivery requirement, to provide the customer (no later than two business days following settlement) a copy of the final official statement or a notice to the effect that the final official statement is available from the MSIL/Access system (a copy available upon request), "which notice shall include the uniform resource locator (URL) where the official statement may be obtained."

The proposed rule change is based on SEC Rule 173 for registered offerings, which requires delivering "not later than two business days following the completion of such sale, a copy of the final prospectus or, in lieu of such prospectus, a notice to the effect that the sale was made pursuant to a registration statement. . ." There is no requirement for a URL to a specific location for the prospectus. Reference to the registration system alerts the recipient of the notice that the final prospectus is available on EDGAR. The customer will have received sufficient notice of the details of the issue in the confirmation, or otherwise, to access user-friendly EDGAR for the final prospectus without relying on a URL.

Requiring a specific URL forces dealers into yet another mailing of specific information, and the dealer would have to receive the URL from the managing underwriter to be able to send it to a customer. The primary means for communicating details of a transaction is the confirmation, and the confirmation should contain a generic statement that the final official statement will be available on MSIL/Access, comparably to corporate confirmation references to the registration statement. The confirmation will contain more than enough details (including CUSIP numbers) to access the final official statement on

MSIL/Access, if MSIL/Access is user-friendly, and MSIL/Access must be user-friendly if official statements are to be available to the public generally and not limited to customers with a URL. In addition, if a customer is dependent on a URL received after settlement to access the final official statement, the time will have passed for the customer to make informed decisions. MSIL/Access should be structured so that final official statements are readily accessible immediately upon availability in a user-friendly environment.

Any requirement to identify a URL for each new issue municipal security creates serious technological problems and the likelihood that manual intervention will be required. The technological problems associated with providing a URL inevitably will lead to delays and will require major system changes to implement. The Association recommends a short, generic, plain English statement comparable to the corporate reference to a "registration statement." The location of the generic language requires further consideration by people involved in systems operations, including spacing determinations to allow reference to the availability of a paper copy of the official statement. After considerable discussion with Association members involved in technology and operations, the Association strongly recommends that the MSRB appoint a task force of industry experts on technology and operations to work with the MSRB to resolve these issues.

3. The MSRB seeks comment on whether it is appropriate to limit the period of time during which the URL for a specific official statement is required to be maintained unchanged, such that after such period the official statement could be archived and be made accessible through an on-line search function at the MSIL/Access portal. What would be the appropriate period of time (beyond the end of the new issue disclosure period) for maintaining such URLs unchanged prior to permitting official statements to be moved to an archival collection accessible through an on-line search function?

As discussed immediately above, we believe there should not be a specific URL, and the question is, therefore, the time period for the "access equals delivery" presumption to be in effect. Both current Rule G-32 and proposed Rule G-32 have a requirement that dealers deliver to customers no later than the settlement date an official statement in connection with new issue municipal securities sold during the new issue disclosure period, which (by reason of the MSRB adding a bright line) ends 25 days after the closing. Since the official statement delivery requirement is in effect during this period, an "access equals delivery" notice should coincide with the new issue disclosure period. After the 25 days subsequent to closing, there is no document dissemination requirement, and MSIL/Access should transfer the official statement to its readily accessible archives.

For municipal securities settled after the 25 day period subsequent to closing, the dealer's obligation to provide information to customers continues to be subject to general antifraud and fair dealing rules, but does not include a requirement to deliver a specific document. As under current law, the decision to deliver or not deliver an official statement after the new issue disclosure period is a matter for the dealer to decide in light of the dealer's securities law obligations. If a dealer determines it appropriate to deliver an official statement, one, two or more years after closing because of the useful information it includes, the dealer should be able to refer the customer to the MSIL/Access archive.

4. The MSRB seeks comment on whether the URL included in the notice to customers should be restricted to a specific MSIL/Access portal or could be for any of the MSIL/Access portals, or whether dealers should be permitted to identify a source other than a MSIL/Access portal.

The Association repeats its statement that the notice to customers should not be required to include a URL. The Association does appreciate the MSRB's willingness to accommodate additional portals for access to official statements. The system should be designed to efficiently transmit official statements to market participants who are providing secondary market information in furtherance of the goal of giving investors, and others, the option to have a single location for reviewing primary and secondary market information. If a dealer decides to add information to the customer notice identifying portals other than MSIL/Access, it should be able to do so in plain English.

5. The MSRB seeks comment on whether an exclusion for limited offerings (with or without the ability of the underwriter to make an election to qualify for the "access equals delivery" model) should be provided.

The Association is aware that there are different points of view on the advisability of requiring submission of an official statement to MSIL/Access for limited offerings within the meaning of SEC Rule 15c2-12. Under current law, "private placements" that meet the requirements for a "limited offering" under Rule 15c2-12 ($100,000 denominations and 35 or fewer purchasers, as these limitations are used to identify those investors that are qualified and able to judge the merits and risks of investing in such an issue) are exempt from the official statement review and continuing disclosure agreement provisions of Rule 15c2-12. Current Rule G-32 provides that if an official statement is prepared in connection with a limited offering, it is to be delivered to the customer, but under current Rule G-36 there is no requirement to submit official statements to the MSRB MSIL site if the securities are exempt under Rule 15c2-12.

The case for requiring submission to MSIL/Access of an official statement voluntarily prepared for a limited offering includes the ability to utilize "access equals delivery" for the delivery component of the proposed combined Rules G-32 and G-36. In addition, there may be trading in such securities, or research related to such securities, that suggests it would be useful for information to be available at MSIL/Access. On the other hand, issuers of, and investors in, private placements may reasonably believe such information should not be in the public domain because there is no public offering. The effect of requiring submission of an offering document to MSIL/Access may be counterproductive by encouraging a decision not to prepare any offering document, as permitted by Rule 15c2-12. In that circumstance, investors would be denied the benefit of written disclosure.

The Association believes the proposed new Rule G-32 should allow voluntary submission of an offering document (prepared for a Rule 15c2-12 exempt limited offering) to MSIL/Access to have the benefit of "access equals delivery" and to submit the document to the public domain if that is desirable. We recognize that a voluntary submission to MSIL/Access will not negate the obligation to deliver an official statement to customers, if an official statement is prepared, and the language of current Rule G-32 for limited offerings, modified as necessary, should be retained for this purpose.

6. MSRB seeks further comments from the industry on what parameters are important in determining the suitability of an electronic format for document accessible through the MSIL/Access system and whether any such formats, other than PDF, currently exist or are in development.

The Association recognizes that the proposed rule will require underwriters to convert paper official statements to electronic official statements if the issuer fails to provide an electronic version. We agree with the MSRB that the industry is rapidly converting to electronic dissemination, and any burden on underwriters is insufficient to outweigh the benefits of the near real time transmission of information under an "access equals delivery" system. The Association also agrees that the proposed definition of "designated electronic format" in the Notice provides flexibility to allow changes from PDF to newer formats by revisions to the Form G-32 Manual rather than requiring a cumbersome rule change.

The Association does recommend that the PDF screen viewed by the reader provide free download of Adobe Acrobat software.

7. The MSRB seeks comments on whether [the time Rule G-34 requires CUSIP information to be disseminated] would be the appropriate timeframe for requiring CUSIP information and initial offering prices, as well as notice that no

OS or POS will be provided (if applicable), to be provided to the MSIL/Access system for public dissemination through the MSIL/Access portals.

Existing Rule G-32 requires that no later than the settlement of the transaction, the dealer provides a customer, in a negotiated sale of new issue municipal securities, the initial offering price for each maturity. The Notice indicates that requirements for delivery of this information will be moved to a new Rule G-34, and the timing for delivery of this information is proposed to be the time CUSIP numbers are to be disseminated shortly after the time of sale, and by the time of first execution of a transaction in virtually all new issues.

Under existing Rule G-32, this information is normally provided customers by the delivery of the final official statement. Since lawyers and others preparing final official statements will be likely to continue viewing the initial offering price as material information, it is likely that final official statements will continue to include the initial public offering price. Accordingly, the proposed rule change would not affect the final official statement, but would require underwriters to announce the initial public offering price when CUSIPs are announced pursuant to Rule G-34.

Any new requirements for dealers or underwriters to transmit more information at an earlier stage should be evaluated by efficiency criteria in light of advances in straight through processing capabilities. Before the MSRB finalizes prospective rule changes to Rule G-34, there should be an analysis of the DTCC New Information Dissemination Service (and any other straight through processing developments) to determine whether the information entering that system is adequate to cover the issues raised by the MSRB without unnecessary duplication. Again, early dissemination of initial offering prices requires significant changes to systems' technology, and the Association urges the MSRB to discuss the technical problems with a task force of industry experts on technology and operations.

8. "New issue municipal securities" would no longer exclude commercial paper. The MSRB seeks comment on whether there is any justification for retaining this exclusion, given the modifications to the disclosure dissemination system that would be made.

The Association recognizes that an "access equals delivery" system reduces the necessity for the commercial paper exception in the definition of "new issue municipal securities" currently in Rule G-32. The exception was inserted into the current rule to avoid an official statement delivery obligation each time commercial paper is rolled over. Under an "access equals delivery" system the official statement on file will be deemed delivered at the time of each rollover.

There are several practical issues that may be raised when a commercial paper disclosure document is considered in the context of MSIL/Access. First, the application of the definition of "new issue disclosure period" requires consideration of the time at which the disclosure document is to be transferred to the archives. Assuming a rollover occurs more than 25 days after the closing on a prior rollover, a new "new issue disclosure period" will commence. The Association believes the disclosure document can remain in the MSIL/Access archives without being moved from the current offerings screen to the archives at the time of each rollover. Nor need it remain on the current offerings screen for the life of the program. This conclusion is based on our expectation that the archives will be readily accessible. We believe it is preferable for the disclosure document to be located in the archives rather than the current screen to avoid an assumption that it has been revised for each rollover. Second, the Association views a commercial paper program as an illustration of the preferability of not having a URL to a disclosure document. The commercial paper dealer will be able to manage customer references to the original disclosure and periodic amendments during the life of the program by plain English statements without a URL being connected to part of the disclosure without drawing attention to the various components of disclosure. The proposed new Rule G-32 would require a notice to customers at the time of each rollover to the effect that an official statement is available from the MSIL/Access system. A plain English statement referencing both the original disclosure and any amendments will provide a clearer explanation than a URL with additional references to amendments. Third, if there is to be access to primary market disclosure information by inputting CUSIP numbers, there needs to be consideration of CUSIP number splits after rollovers and whether entering a CUSIP number will efficiently result in access to the proper disclosure document.[4] Again, it is important that MSIL/Access be user friendly and able to accommodate access in plain English as well as by any specific identifiers.

9. The MSRB seeks comment on the merits of partially automating the Form G-37 process through information provided on Form G-32. In particular, would the added burden of additional information submissions by underwriters under revised Rule G-32 be outweighed by the possible benefits realized in partially automating the Form G-32 process?

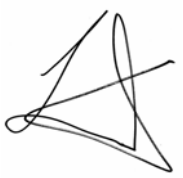
The Association appreciates consideration of possible efficiencies in automatically prompting quarterly reports to be filed pursuant to Rule G-37 with the municipal securities business items referred to in Form G-32. However, persons responsible for preparing Form G-37 have advised us that there are internal means for tracking municipal securities business, and having a second routing source from Form G-32 would simply add to Form G-37 preparation the necessity to compare and verify information received from the MSRB from Form G-32. For example, Form G-32 would require underwriters to list syndicate

[4] It should also be noted that similar issues may arise with partially pre-refunded securities where new CUSIP numbers are assigned.

members, and, therefore at the time a dealer prepares Form G-37, the dealer would be required to determine whether managing underwriters have properly characterized them as syndicate members. Moreover, the list of transactions required to be provided for the quarterly Form G-37 duplicates information already provided to the MSRB pursuant to Rule G-36 (or proposed Rule G-32). Compiling the G-37 transaction list is very time consuming for dealers. Rather than seeking to integrate the Form G-37 and G-32 processes, which would provide scant benefit to dealers due to disparate internal systems requirements, we suggest that municipal securities business disclosed on Form G-37 be limited to all jurisdictions in which a reportable contribution has been made. The Association, therefore, recommends that the MSRB not include a G-32/G-37 interface at this time.

We appreciate the opportunity to comment on this rulemaking. If you have any questions concerning these comments, or would like to discuss these comments further, please feel free to contact the undersigned at 646.637.9230 or via email at lnorwood@sifma.org.

Respectfully submitted,



Leslie M. Norwood
Vice President and
Assistant General Counsel

cc: Mr. Christopher Taylor, Municipal Securities Rulemaking Board
Diane Klinke, Esq., Municipal Securities Rulemaking Board
Hal Johnson, Esq., Municipal Securities Rulemaking Board

Securities Industry and Financial Markets Association
Municipal Executive Committee
Municipal Policy Committee
Municipal Legal Advisory Committee
Municipal Credit Research, Strategy & Analysis Committee
Municipal Operations Committee
Municipal Syndicate & Trading Committee
Municipal Brokers' Brokers Committee

March 8 - 2007

Ernesto A. Lanza,

This letter concerns the "paper copies" of prospectus for municipal bonds. It would be far better to have dealers provide "paper copies" unless there is consent to "electronic access". The burden shouldn't be on investors to request a paper copy. I feel the "explicit standing request" should be for those who want "electronic access" only.

The computer is full of "spam", clever, fraudulent material that is difficult to control and maneuver through.

For investment purposes, I need a "paper trail" to maintain my records.

Thank you.

Sincerely,

Merry Vane Tissier

Merry Vane Tissier

UMB

February 25, 2007

Ernesto A. Lanza
Senior Associate General Counsel
MSRB
1900 Duke Street
Suite 600
Alexandria, VA 22314

RE: **MSRB NOTICE 2007-05 (JANUARY 25, 2007) MSRB Seeks Comments on Draft Rule Changes to Establish an Electronic Access System for Official Statement**

Dear Mr. Lanza:

The Investment Banking Division of UMB Bank, n.a. (UMB) would like to thank you for the opportunity to comment on the above mentioned MSRB notice.

We are pleased that the MSRB is moving forward with adopting an "access equals delivery" model and in doing so is progressively establishing the MSIL/Access system for OS and POS dissemination. UMB fully supports the MSRB on the implementation of the MSIL/Access System. We agree that the benefits of this system significantly expedite the means to access and deliver OSs to brokers, investors, dealers and other market participants.

In regards to the MSRB consolidating Rules G-32 and G-36 (and withdrawing Rule G-36 completely) UMB would comment that the proposed revisions made by the MSRB strongly emphasize the importance of all aspects of each rule in addition to concentrating on the importance of providing a "POS" via the MSIL/Access system. We also understand that exceptions would still exist for those customers that "opt out" and we are actively reviewing internal policy and procedures to provide paper documents in accordance with Rules G-32 and G-17.

UMB has been promoting and working towards a paperless environment for the last 10 years. Given today's current technological environment we feel that the standard delivery for official statements should be in the portable document format (pdf). UMB currently receives an estimated 95% of all official statement documentation in electronic form.

With regard to whether the URL included in the notice to customers should be restricted or could be for any of the MSIL/Access portals, we feel that by allowing access via the MSIL/Access

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portals to obtain OSs and POSs would be most beneficial. By making access simpler and more centralized, it would mean less confusion for the investors thus preventing additional work on their part as they could bookmark a particular site ensuring a quick and easy process. The cost associated with multiple communications to disclose multiple URLs to investors would be borne by the dealer community and could hinder the potential to disclose in a timely fashion. Identifying one centralized URL on the notice could also promote consistency with dealers, investors, customers and other market participants.

Once the MSIL/Access system is implemented, it would be most beneficial if it would provide all OSs and POSs until the particular issues matures and up to two years following the maturity. However, the ideal situation is that the system could archive the documentation indefinitely.

To conclude and summarize, UMB strongly supports the expediting of the MSRB's "access equals delivery" model, the MSIL/Access system. We further support moving forward with the documentation requirements being formatted in a portable documentation format, i.e. "pdf." We agree with revising Rule G-32 and rescinding G-36. We encourage the use of one URL, but stress the importance of allowing access via any MSIL/Access portal to obtain OSs and POSs.

Again we thank you for the opportunity to comment. We look forward to the final ruling.

Sincerely,

James C. Thompson

James C. Thompson
Divisional Executive Vice President
Investment Banking Division
UMB Bank, N.A.

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March 7, 2007

Ernesto A. Lanza
Senior Associate General Counsel
MSRB
1900 Duke Street, Suite 600
Alexandria, VA 22314

Dear Mr. Lanza:

We are writing to express our support for the MSRB's proposal to revise its rules regarding additions to the MSIL system and delivery requirements for official statements.

The proposals to replace mandatory delivery of a paper official statement to investors with access to an electronic copy of the statement will, we believe, provide benefits to investors, issuers, and underwriters without harm to any party. With proper safeguards we believe that investor protection can be preserved while still allowing the marketplace to reap the benefits of the proposed rule change.

We are a regional municipal bond firm with thousands of retail customers. Based on customer feedback, we believe that, while investors should, and do, review the official statement for a new issue, only a small number, probably less than 10%, make a practice of retaining the paper copy permanently. An active investor would need several feet of file or shelf space to hold the statements for a substantial portfolio. Consequently, we believe that the vast majority of these documents are discarded after being reviewed by the client. From time to time we receive feedback from clients deploring the waste of natural resources (paper) required by the present system.

The benefits of electronic access are many, and extend beyond the economic. Specifically, electronic documents are generally searchable, and the large amounts of 'boilerplate' and 'legalese' appearing in the typical official statement makes finding the information one needs more difficult with a paper document than with a searchable electronic one. Our professional staff has many years of experience in the industry, yet even for us it is not uncommon to need more than one 'pass' through a complex and often poorly indexed paper document to find a particular piece of information. Further, investors with limited physical storage space (a group which includes many retired municipal bond investors) will be able to electronically retain their official statements for long-term reference where they are now unable to do so.

We do believe, however, that the small group of investors who want a hard copy should continue to have access to paper documents. The many annual notices which broker/dealers must provide to their customers could include one reminding the investor that he is entitled to receive his official statements in paper form and telling him how to make such requests. Alternatively, such language could be included on the confirmation.

The proposals to enhance MSIL are positive, would improve the dissemination and accessibility of new issue information, and do not appear to have any foreseeable negative consequences.

Thank you for the opportunity to support these proposals

Sincerely,

Chris Charles
President

MSRB Notice 2006-19
(July 27, 2006)

MSRB Seeks Comments on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

The Municipal Securities Rulemaking Board (the "MSRB") is seeking comment on the implementation of an electronic system of primary market disclosure in the municipal securities market. This new system would be designed to promote significantly more effective and efficient delivery of material information to new issue customers and the marketplace in general than under existing requirements for physical delivery of official statements. The system would be modeled in part on recent rule changes adopted by the Securities and Exchange Commission (the "SEC") that instituted an "access equals delivery" model for prospectus dissemination for much of the registered securities market.[1] However, as a result of the unique nature of the municipal securities market, including but not limited to the exemption of issuers from the registration and prospectus requirements of the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"), the MSRB believes that modifications to the SEC approach would be necessary.

This notice describes a potential framework for instituting the "access equals delivery" standard under MSRB rules and poses a number of questions related to its implementation. Comments are welcome from all interested parties on the proposed framework and related questions, any alternatives to this framework, and any other issues touching on the application of this standard to the municipal securities market, including the potential impact of this standard on investors and issuers, as well as on brokers, dealers and municipal securities ("dealers").

BACKGROUND

SEC's "Access Equals Delivery" Standard for Prospectuses in Registered Offerings. In the registered securities market, issuers are required to file registration statements and prospectuses electronically through the SEC's EDGAR (Electronic Data Gathering, Analysis, and Retrieval) system prior to an offering. The EDGAR system then makes electronic versions of filings available to the public at no charge on a "real-time" basis through the SEC's website. As a result, prospectuses are available free of charge at a centralized site (as well as through other information services, in some cases for a fee) throughout the selling process. The "access equals delivery" standard is premised on, among other things, this immediate availability of prospectuses and other filings through the EDGAR system and other electronic sources.

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1 *See* Securities Act Release No. 8591 (July 19, 2005), 70 FR 44722 (August 3, 2005) (the "SEC Release").

The "access equals delivery" standard provides, pursuant to Securities Act Rule 172, that a broker-dealer selling a security in a registered offering need not deliver a final prospectus to the customer if the registration statement is effective and the final prospectus is filed with the SEC (or a good faith and reasonable effort to file it is made) within the required timeframe. Under Securities Act Rule 173, a broker-dealer selling such a security must provide to the customer a notice that the security was sold in a registered offering within two business days after completion of the sale. Customers may request printed copies of the final prospectus. The "access equals delivery" standard also applies to aftermarket trades of newly issued securities pursuant to Securities Act Rule 174. This standard is not available to certain classes of registered securities, including but not limited to mutual fund shares.[2]

Official Statement Deliveries Under Current MSRB Rules. Under Rule G-32, a dealer selling a new issue municipal security to a customer during the period ending 25 days after bond closing (the "new issue disclosure period") must deliver the official statement to the customer on or prior to trade settlement.[3] The rule includes inter-dealer delivery requirements for new issue municipal securities to assist selling dealers to meet their customer delivery obligations.[4]

Rule G-36 requires underwriters to submit official statements to the MSRB. For offerings subject to Exchange Act Rule 15c2-12, the official statement must be sent within one business day after receipt from the issuer but no later than ten business days after the bond sale.[5] With limited exceptions, official statements for all other offerings must be sent by the later of one business day after receipt from the issuer or one business day after bond closing. Submitted official statements must be accompanied by completed Form G-36(OS). Official statements may be submitted in either paper or electronic format. These submissions are collected into a comprehensive library for the municipal securities market. The MSRB makes these documents available to subscribers, many of whom disseminate them (typically for a fee) or use them to

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2 *See* Section VI (Prospectus Delivery Reforms) of the SEC Release for a detailed description of the SEC rules implementing the "access equals delivery" standard.

3 Rule G-32 provides limited exceptions to this delivery requirement. The dealer also must provide certain additional information about the underwriting (including initial offering prices) if the issue was purchased by the underwriter in a negotiated sale.

4 Selling dealers and the managing underwriter must send official statements to purchasing dealers promptly upon request. Dealer financial advisors that prepare the official statement must provide such official statement to the managing underwriter promptly.

5 Rule 15c2-12(b)(3) requires an underwriter in an offering subject to the rule to contract with the issuer to receive the official statement within seven business days after the bond sale and in sufficient time to accompany money confirmations sent to customers.

obtain security-specific information to include in their data files used by dealers, investors, pricing services and others for their trading or other municipal securities market activities.

A MODEL FOR IMPLEMENTATION OF "ACCESS EQUALS DELIVERY" IN THE MUNICIPAL SECURITIES MARKET

The MSRB believes that the adoption of a modified version of the SEC's "access equals delivery" standard would greatly enhance the timeliness and efficiency of official statement deliveries. Such a model would provide the investing public with assured access to official statements throughout the new issue disclosure period and, in most cases, sooner than under the current physical delivery model. In addition, the "access equals delivery" model would significantly decrease the burden and expense of dealer deliveries of official statements, which should ultimately result in reduced transaction costs for new issue customers. The need to print significantly fewer official statements also should reduce issuance costs for issuers.

The SEC noted the significant benefits that the "access equals delivery" model would provide in the registered market, stating in the SEC Release that the rules:

> are intended to facilitate effective access to information, while taking into account advancements in technology and the practicalities of the offering process. These changes are intended to alleviate timing difficulties that may arise under the current securities clearance and settlement system, and also to facilitate the successful delivery of, and payment for, securities in a registered offering.… [G]iven that the final prospectus delivery obligations generally affect investors only after they have made their purchase commitments and that investors and the market have access to the final prospectus upon its filing, we believe that delivery obligation should be able to be satisfied through a means other than physical delivery…. At this time, we believe that Internet usage has increased sufficiently to allow us to adopt a final prospectus delivery model for issuers and their intermediaries that relies on timely access to filed information and documents.[6]

The MSRB believes that these considerations are equally applicable to the municipal securities market.

In order to apply the "access equals delivery" standard to the municipal securities market in an effective manner, however, two critical factors would need to be addressed. First, electronic versions of official statements would need to become the industry standard. Second, such electronic versions would need to be made easily and freely available to the investing public. These factors, as well as possible MSRB rule changes needed to implement an "access equals delivery" standard, are discussed below.

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6 *See* SEC Release at VI.B.

Electronic Official Statements. The MSRB currently receives approximately half of all official statement submissions under Rule G-36 in electronic format. These electronic official statements are available nearly instantaneously for further re-dissemination after the underwriter has made the submission. In contrast, official statements submitted in paper form experience significant delays before they can ultimately be re-disseminated by the MSRB, including but not limited to the added delivery time for physical documents to be delivered from the underwriter to the MSRB and the processing time for the MSRB to scan the printed documents into digital form. The MSRB believes that it is in the best interest of municipal securities investors and other participants in this marketplace to eliminate such delays and to require that all submissions under Rule G-36 be undertaken in electronic format by underwriters.

The MSRB believes that the availability of electronic official statements for delivery to the MSRB will continue to grow rapidly from the current level of approximately 50% through the natural evolution of the marketplace. Indeed, it is likely that few if any official statements are currently produced by means other than the creation of electronic files. The MSRB cannot, of course, require issuers to produce official statements in electronic format. However, the MSRB believes that, by the time an "access equals delivery" model were to be fully implemented, the level of offerings in the municipal securities market for which electronic official statements are not already being produced by the issuer will have decreased to such a low point that it would be reasonable for the MSRB to require underwriters for such offerings to themselves image or otherwise digitize those few paper-only official statements prior to submission to the MSRB. In the MSRB's view, the frequency of such imaging would be quite low, the ease of such imaging will have increased, and the potential benefit to the municipal securities market will be sufficiently high to counterbalance this rather low burden imposed by such a requirement.

The MSRB seeks comment on the current availability of electronic official statements from issuers and the factors affecting future growth in such availability. The MSRB also seeks comment on the nature and level of potential burdens of requiring that all submissions under Rule G-36 be undertaken in electronic format. Further, the MSRB currently requires that electronic official statement submissions be made solely as portable document format (pdf) files. The MSRB requests comment on the advisability of accepting other electronic formats, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors.

Centralized Access to Electronic Official Statements. Electronic official statements would need to be made readily available to the investing public, at no cost, for the duration of the applicable new issue disclosure period, at a minimum. The MSRB believes that investors would be best served if such official statements were made available at a centralized Internet website, although other parties could of course make all or portions of such collection available at other websites or through other means as well. In the alternative, a central directory of such official statements could be maintained, with the actual hosting of the electronic official statement occurring by multiple parties (such as issuers, financial advisors, underwriters, information vendors, printers, etc.) that have undertaken to maintain free ready access to such documents throughout the new issue disclosure period. However, the MSRB observes that this second

alternative would provide fewer assurances that electronic access to the official statements will in fact be maintained in a uniform manner for the required duration and likely would require third-party monitoring of these decentralized sources.

The MSRB seeks comment on whether a centralized website where all official statements for issues in their new issue disclosure period are freely available to the public would be preferable to a decentralized system in which issuers, financial advisors, underwriters, information vendors, printers and others post their respective official statements for the required period, with a central index providing hyperlinks to the official statements. Should the MSRB itself undertake either centralizing function, or are there other market participants or vendors who could undertake such duties subject to appropriate supervision? The MSRB also seeks comment on whether the current new issue disclosure period ending 25 days after the bond closing would be the appropriate period for purposes of maintaining free centralized access to official statements, or whether a longer period would be more appropriate.

Potential MSRB Rule Changes to Implement the "Access Equals Delivery" Model. Under an "access equals delivery" model for the municipal securities market, Rule G-32 would be revised, eliminating the current prohibition on settling a customer transaction in new issue municipal securities if the customer has not physically received an official statement.[7] Instead, Rule G-32 would require that a selling dealer provide notice to the customer that the official statement is available electronically.[8] The selling dealer would be required to provide a printed version of the official statement upon request. The current requirements of Rule G-32 regarding disclosure to customers of initial offering prices for negotiated sales would be deleted, such information to be provided to the entire marketplace at an earlier time under revised Rule G-36, as described below. In addition, the requirements in current Rule G-32 with respect to inter-dealer distribution of official statements would be deleted as the official statements would be readily available electronically. Finally, dealer financial advisors that prepare official statements on behalf of issuers would be required to provide electronic versions to the underwriters.

Rule G-36 also would be revised. The rule would require underwriters of all primary offerings of municipal securities for which official statements are prepared to submit the official statements electronically to the MSRB under Rule G-36 (*i.e.*, paper submissions would no longer

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[7] This would parallel the provision under Securities Act Rule 172 for registered offerings and under Securities Act Rule 174 for aftermarket trades in newly issued securities. The MSRB emphasizes that Rule G-17 would continue to require that dealers disclose to customers, at or prior to the time of trade, all material facts about the transaction known by the dealer, as well as material facts about the security that are reasonably accessible to the market. *See* Rule G-17 Interpretation – Interpretive Notice Regarding Rule G-17, on Disclosure of Material Facts, March 20, 2002, *reprinted in* MSRB Rule Book.

[8] This notice requirement would parallel the requirement under Securities Act Rule 173 for registered offerings.

be permitted). The timeframe for submission of official statements under Rule G-36 could be simplified to require the underwriter to submit the official statement for any offering (regardless of its status under Exchange Act Rule 15c2-12) by no later than the business day following receipt from the issuer, but in no event later than the bond closing date.

Rule G-36 would continue to require underwriters to submit much of the information currently included on Form G-36(OS) but would no longer require that such information be provided simultaneously with the official statement or in a single submission. Such information submission would be accepted solely in electronic form, either through a web-based interface or by upload or data stream using extensible markup language (xml) or other appropriate format. In addition, underwriters would be permitted to designate submission agents (such as information vendors, printers, etc.) for both the official statement and required information submissions, although the underwriters would remain responsible for accurate and timely submissions. The underwriter would be required to make an initial submission of information, consisting of CUSIP numbers and list offering prices of all maturities in the issue, on or prior to the first execution of a transaction in such issue.[9] The underwriter would thereafter submit further required information and the electronic official statement as they become available. Information submissions under Rule G-36 would be required for all new issues, even if no official statement is being produced. If an official statement is not being produced, the underwriter would be required to report that fact.

The MSRB seeks comment on whether the "access equals delivery" model should be available on all new issues or whether certain classes of new issues should continue to be subject to a physical delivery requirement. For example, the SEC did not make the "access equals delivery" model available for mutual fund sales. Should this model be made available in connection with the sale of municipal fund securities, including interests in 529 college savings plans?[10] Should issues exempt from Exchange Act Rule 15c2-12 be treated differently from

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[9] Underwriters are already required to disseminate CUSIP information within this same timeframe under current Rule G-34 for virtually all new issues. The list offering price information disclosure under revised Rule G-36 would take the place of such disclosure to customers under current Rule G-32.

[10] The SEC had noted in the SEC Release that mutual funds are subject to a different disclosure regime than are other registered securities and that it would consider the issue of electronic delivery of mutual fund prospectuses in the context of a broader review of mutual fund disclosure practices. The MSRB observes that, in contrast, 529 college savings plans and other municipal fund securities are subject to the same disclosure regime under MSRB rules as are other municipal securities, although the fact that the assets held in connection with most municipal fund securities are invested in registered mutual funds could potentially have an impact on whether the "access equals delivery" model should be applied to offerings of municipal fund securities. The MSRB seeks comment on this issue.

those that are subject to that rule? What responsibility should dealers have to confirm that an issue qualifies for the "access equals delivery" standard? Should dealers be able to assume that an electronic official statement is available for a qualifying issue without inquiry, or should there be a duty to inquire (*e.g.*, check the central website or index)? MSRB Rule G-32 currently requires dealers to deliver official statements to customers by trade settlement, whereas Securities Act Rule 173 merely requires that notice of a registered offering must be provide to the customer within two business days of trade settlement. Would it be appropriate to set a two-day post-settlement deadline for delivering notices to customers that matches the SEC's notice requirement for registered offerings?

Under Rule G-36, the MSRB is seeking comment on whether a single ultimate deadline for all issues, requiring that official statements be submitted to the MSRB by no later than the bond closing, is appropriate. In particular, is there any legitimate basis for an official statement not to be available to the underwriter by the bond closing date? If so, would it be appropriate for the MSRB to provide an alternative for those offerings where an official statement may not be available in time, such as to require the submission of a preliminary official statement (if one exists) by settlement pending the availability from the issuer and the submission to the MSRB of the final official statement? Does the current requirement under Rule G-36 that official statements for offerings subject to Exchange Act Rule 15c2-12 must be submitted to the MSRB no later than 10 business days after the bond sale influence the timing of issuer deliveries of official statements to the underwriters?[11] If so, would changing the deadline to the bond closing date have an impact on the timing of such deliveries? Finally, where a dealer financial advisor prepares the official statement, should such financial advisor be required to submit the official statement directly to the MSRB on behalf of the underwriter?

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Comments should be submitted no later than September 15, 2006, and may be directed to Ernesto A. Lanza, Senior Associate General Counsel. Written comments will be available for public inspection.

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[11] As stated in footnote 5, Rule 15c2-12 obligates underwriters to contract with issuers to receive official statements by no later than seven business days after the bond sale, which is three business days prior to the deadline in Rule G-36.

Alphabetical List of Comment Letters on MSRB Notice 2006-19 (July 27, 2006)

1. American Bar Association, Section of State and Local Government Law: Letter from Edward J. Sullivan, Chair, dated October 9, 2006
2. American Governmental Financial Services Company: Letter from Robert W. Doty, President, dated September 15, 2006
3. Automated Data Process, Inc.: Letter from Gerard F. Scavelli, Senior Vice President & General Manager, dated September 15, 2006
4. Bernardi Securities, Inc.: Letter from Eric Bederman, Chief Compliance Officer, dated August 7, 2006
5. Bond Market Association: Letter from Leslie M. Norwood, Vice President and Assistant General Counsel, dated September 15, 2006
6. brokersXpress, LLC: Letter from Blaine Schwartz, President & CCO, dated September 15, 2006
7. College Savings Plans Network: Letter from Jackie T. Williams, Chair, dated September 22, 2006
8. Commerce Bancshares, Inc.: Letter from Michael A. Dardis, Manager of Trust and Investment Products Compliance, dated September 13, 2006
9. Digital Assurance Certification LLC: Letter from Paula Stuart, Chief Executive Officer, dated September 29, 2006
10. DPC DATA Inc.: Letter from Peter J. Schmitt, Chief Executive Officer, dated September 13, 2006
11. Edward D. Jones & Co., LP: Letter from Robert Beck, Principal, Municipal Bonds, dated September 13, 2006
12. First Southwest Company: Letter from Richard A. DeLong, Senior Vice President, Municipal Trading and Underwriting, dated September 15, 2006
13. Griffin, Kubik, Stephens & Thompson, Inc.: Letter from Robert J. Stracks, Counsel, dated September 14, 2006
14. Investment Company Institute: Letter from Elizabeth R. Krentzman, General Counsel, dated September 14, 2006
15. J.J.B. Hilliard, W.L. Lyons, Inc.: Letter from Ronald J. Dieckman, Senior Vice President, Director of Public Finance/Municipals, dated August 4, 2006
16. Morgan Keegan & Company, Inc.: Letter from Jerry L. Chapman, Managing Director, Municipal Product Manager, dated August 31, 2006
17. Municipal Advisory Council of Texas: Letter from Gary P. Machak, Chairman, dated September 14, 2006
18. National Association of Bond Lawyers: Letter from Walter J. St. Onge III, President, dated September 14, 2006
19. National Federation of Municipal Analysts: Letter from Eric Friedland, Chairman, dated September 15, 2006
20. Regional Municipal Operations Association: Letter from Thomas Sargant, President, dated September 27, 2006
21. Securities Industry Association: Letter from Elizabeth Varley, Vice-President and Director of Retirement Policy, and Michael D. Udoff, Vice-President, Associate General Counsel and Secretary, dated September 20, 2006

22. Standard & Poor's CUSIP Service Bureau: Letter from Gerard Faulkner, Director – CUSIP Operations, dated September 15, 2006
23. Stone, Daniel E.: Letter dated September 2, 2006
24. TRB Associates: Letter from Ruth D. Brod, Consultant, dated September 14, 2006
25. UBS Securities LLC: Letter from Terry L. Atkinson, Managing Director, dated September 15, 2006
26. UMB Bank, N.A.: Letter from James C. Thompson, Divisional Executive Vice President, Investment Banking Division, dated September 14, 2006
27. USAA Investment Management Company: Letter from Eileen M. Smiley, Vice President and Assistant Secretary, dated September 15, 2006
28. Wells Fargo Institutional Brokerage & Sales: Letter from John McCune, President, dated September 14, 2006
29. Zions Bank Public Finance: E-mail from Eric Pehrson, Vice President, dated September 8, 2006

Defending Liberty
Pursuing Justice

AMERICAN BAR ASSOCIATION

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October 9, 2006

Ernesto A. Lanza, Esq.
Senior Associate Generral Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19
Request for Comment on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Section of State and Local Government Law ("SLGLS") of the American Bar Association serves as a forum for municipal and other government attorneys, the legal profession and the public to provide leadership and educational resources in state and local government law and policy.

The SLGLS appreciates the opportunity to comment on the feasibility of a central repository for official statements as proposed by the Municipal Securities Rulemaking Board ("MSRB") in Notice 2006-19 (July 27, 2006) (the "Notice"). The Notice concerns an "access equals delivery" standard applicable to MSRB Rules G-32 and G-36 obligations. Such standard would be modeled upon Securities and Exchange Commission ("SEC") reforms for prospectus delivery obligations in registered offerings.

The SEC's final rule on securities offering reform states that the premise of the "access equals delivery" standard for document dissemination is that investors are presumed to have access to the Internet. Generally speaking, the SEC's premise applies as well to investors in municipal securities.

The development of electronic dissemination of municipal securities disclosure information has improved greatly in the past several years, particularly since the effectiveness of Exchange Act Rule 15c2-12 beginning in 1995. We endorse MSRB's continued focus on expanding electronic media dissemination.

We note, however, that not more than one-half of all official statement submissions by issuers to the MSRB under Rule G-36 are received in electronic format. While electronic submissions are likely to increase over time, issuers of municipal securities should not be penalized for failure to do so for any reason. The burden for mandatory electronic submissions, if any, should be placed on underwriters and broker/dealers in primary and secondary offerings. Further, to the extent underwriters are

unable to obtain offering documents and continuing disclosure information in electronic format, safe harbor provisions should be included in any new MSRB rule to insure that certain otherwise creditworthy issuers are not denied access to the market.

We look forward to ongoing opportunities to share our thoughts with the MSRB about electronic dissemination of offering documents and disclosure information in municipal securities transactions. Please do not hesitate to contact the undersigned at (503) 558-3106 or via e-mail at esullivan@gsblaw.com with your questions or comments.

Very truly yours,

Edward J. Sullivan

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A Private Company

Robert W. Doty, CIPFA, President
Certified Independent
Public Finance Advisor

September 15, 2006

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 (July 26, 2006)

Dear Mr. Lanza:

I am submitting these comments in response to the Municipal Securities Rulemaking Board's request regarding the "access equals delivery" concept, and appreciate the opportunity to do so.

The "access equals delivery" concept embodied in MSRB Notice 2006-19 (July 26, 2006) has the potential to facilitate more rapid delivery of official statements in accordance with current municipal securities market practices in many offerings. Aside from benefits for dealers, this can be very useful for investors who will be able to receive documents earlier in the offering process, and it can reduce issuer printing costs.

It is important, however, that the proposal make provision to prevent abuses that may occur due to important differences between the corporate securities market and the municipal securities market. Such abuses could damage this helpful idea.

Electronic delivery is used widely in the municipal securities market for institutional investors and technological knowledgeable individual investors. Proportionately, there are many more elderly individual investors in the municipal securities market than in other markets due to their goal of protecting retirement income from taxation. Those and other less sophisticated investors may not be technologically savvy.

While the vast majority of municipal securities offerings have low risk, there is a small universe of less credit-worthy offerings—nonrated and noninsured and usually dependent in large part upon the success of private parties—that are brought into the market. Some investors, especially (but not solely) elderly ones, confuse the risks in these offerings with the general safety of municipal securities, at times in the context of s

pitches. Those transactions, which institutions may shun, are sold with especially high yields to individuals, not infrequently elderly retired persons. Putting aside obvious suitability issues, it is important that these investors have actual, not theoretical access to disclosure documents.

In many offerings in the corporate securities market, electronic access to final prospectuses is equated with delivery. That principle also can be useful in the municipal securities market, so long as investors either receive paper preliminary official statements or actually consent in a meaningful manner, either in writing or in electronic form, to electronic delivery of preliminary official statements. This assumes, of course, that final official statements are, in fact, materially identical to the preliminary documents, except for information based upon the pricing process.

Given this context, I perceive two ways in which the "access equals delivery" concept could be abused in the troublesome offerings by those market participants who are inclined to do so. First, keeping in mind that SEC Rule 15c2-12 does not require that issuers prepare preliminary official statements (only that dealers deliver them to investors if they are prepared, and even then, only if the investors request the documents), once offering participants realize that there is a cost savings from not printing final official statements, they could easily simply decline to prepare any preliminary official statements at all. That would save on all printing costs. This practice is not possible in the corporate securities market where preliminary prospectuses are required, but is not infeasible in troublesome offerings in which elderly and other less sophisticated individual investors may place a high degree of reliance upon statements of brokers.

Second, in the municipal securities market, the SEC has not adopted regulations requiring recirculation of preliminary official statements in the event that material changes occur between the preliminary and final versions of official statements. Most offering participants now identify the material changes in some form in the final official statements. If, however an individual investor has received a preliminary official statement and is not technologically skilled, the investor may not obtain a final version of the document and may never know of the material changes, placing reliance solely upon the preliminary official statement.

Consequently, I suggest that consideration be given to permitting application of the "access equals delivery" concept only in transactions in which investors have had actual access to preliminary official statements, either by receiving paper copies or by actually consenting in an appropriate form to electronic delivery of those preliminary documents. Further, I suggest that there be a requirement for recirculation in the event of material changes between preliminary and final official statements.

Thank you for this opportunity to comments on this important concept.

Yours very truly,

Robert W. Doty

Cc: Martha Mahon Haines, Esq.
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Securities and Exchange Commission
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Gerard F. Scavelli
Senior Vice President
& General Manager

September 15, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Request for Comments on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

We appreciate the opportunity to comment on the application of an "access equals delivery" standard to official statement dissemination for new issue municipal securities.

ADP is the largest provider of investor communications services for issuers, investors, and securities intermediaries. We distribute regulatory disclosures, by mail and email, to 90 million investors, including proxy statements, prospectuses and financial reports. We also provide transaction-based communications, including brokerage statements, information on corporate actions, and trade confirmations. ADP's processing and technology solutions facilitate investor access to information, support informed participation in U.S. capital markets, and lower costs for market participants. We believe our capabilities and experience would be helpful to the MSRB in implementing improvements to current processes for disseminating official statements for new issue municipal securities. (A summary of these capabilities is provided in section I., below.)

We support the underlying goals of the MSRB's potential framework, the concept of a central electronic repository, and efforts to continuously improve processes for all municipal market participants. However, we believe some modifications to the framework are necessary in order to achieve its laudable goals without unintended consequences to investors and other market participants. A significant body of research suggests that implementing the potential framework as currently envisioned would, as a practical matter, result in less information for many investors. (Relevant research is referenced in section II.)

The potential framework is premised on the belief that considerations of facilitating effective access to information in registered securities offerings are equally applicable to municipal securities offerings. We would submit, however, that registered securities offerings include unique standards for effective information access that generally involve a greater flow of information between issuers and investors. While a central repository could enable faster access to official statements for many market participants, the potential framework's provision to eliminate direct distribution would effectively remove an important

communications channel for many investors. We believe e-delivery could be used in conjunction with a central repository to further enhance access to information. (Pertinent references to Securities Offering Reform Rulemaking are provided in section III.)

We are committed to working constructively with all municipal market constituents to implement improvements to current processes for disseminating official statements for municipal securities. Therefore, ADP respectfully offers several suggestions which we hope you will find helpful. We believe these modifications support the underlying goals of the MSRB's potential framework and offer a means to avoid unintended consequences. (Suggested modifications to the potential framework are summarized in section IV.)

I. ADP capabilities can be leveraged by the MSRB and municipal market participants to support the flow of information to all investors *and* lower costs to issuers and selling brokers.

Each year, on behalf of over 800 broker-dealers, mutual fund companies, custodian banks, and correspondents, ADP distributes final prospectuses for municipal offerings to over 700,000 investor accounts. A central distribution facility offers issuers the benefits of economies of scale and the convenience of a single point of shipment. Distribution turnaround times meet or exceed required levels of performance. In many cases, ADP scans physical documents into its own digital library prior to their being available electronically through MSRB scanning. ADP digital print services provide information delivery for issuers' whose physical inventories are depleted. Technologies for specialized processing identify situations for which a prior prospectus applies, and the consequent suppression of over 20% of all requested mailings results in significant savings to issuers and selling dealers.

ADP has experience with investors, issuers and financial intermediaries in capturing and managing investor "consents" to e-delivery -- for proxy distribution, mutual fund disclosures and other information. (As of June, 2006, ADP's e-delivery Consent Database contained over 15 million investors.) However, e-delivery is not currently being utilized for official statements for new issue municipal securities. We believe, therefore, it offers an opportunity for enhancing information access in municipal securities offerings.

II. The MSRB's potential framework, as currently envisioned, changes the 'default' mechanism *from* automatic information delivery *to* online information access. Research on participation rates in 'opt-in/opt-out' programs -- as well as research on investor demographics, investor communications preferences, and cost shifting -- suggests that the potential framework may reduce the flow of information afforded to investors today.

Default Programs: Studies by behavioral economists and other experts on default programs -- in applications as wide-ranging as 401(k) plan savings, no-fault insurance adoption, and other opt-in/opt-out programs -- indicate that a small change in a default mechanism can have a magnified and often unintended impact on participation. Today, investors access and look at final prospectuses on municipal issues because they are, by default, sent directly to them. By requiring investors to instead take steps to obtain the final prospectus (i.e., go online to view

the information, or request a hard copy), the potential framework would, by comparison, reduce access and viewing of final prospectuses by investors. The potential framework changes the method by which information is obtained; it does not alter the content of the information made available.

In-depth research on investor demographics, investor communications preferences, and costs/benefits was provided by ADP and AARP to the Securities & Exchange Commission in connection with the SEC's proposed 'Notice & Access' rules. Although much of the research focused on Internet availability of proxy information, and the characteristics and preferences of equity investors, some of it is relevant to discussion of the MSRB's potential framework. Research on the demographics of online access and usage is independent of either concept. Research on the online/offline communications preferences of investors is noteworthy because both concepts rely on similar access methods. (Refer to ADP and AARP comment letters to the SEC's proposed Notice & Access rules, file number S7-10-05, and to AARP's comment letter on Securities Offering Reform proposed rules, file number S7-38-04.)

Investor Demographics: Many investors are *unable* to electronically access information on their investments. Forrester Research's analysis of its Technographics Consumer Data, the world's largest ongoing census of investors and Internet usage, observed that, "Rules which rely on online access may well introduce bias into shareholder communication because online access is not evenly distributed among investors." Forrester's data shows this is especially true for seniors – and it is understood that seniors' portfolios may contain a significant allocation of municipal issues. According to Forrester, while 90% of investors between the ages of 18 and 39 are online, only half of investors 65 years of age and older are online.

AARP's survey, "Views of the Individual Investor Toward Internet-Based Delivery of Company Proxy Materials" (investors 25 years of age and older, February, 2006) identified practical limitations to Internet usage among those with access. Access is limited due to cost considerations, technical problems, and computer sharing with other members of the same household. The findings are more pronounced for older segments of investors.

Investors' Online/Offline Communications Preferences: Many investors are *unwilling* to electronically access information on their investments or read online. Forrester's Technographics research indicates that significant percentages of investors do not read financial information online and they do not visit financial content websites. Many individuals prefer to receive information by mail and execute transactions by telephone. Concerns with Internet security and privacy can inhibit activity levels in some applications. AARP's survey indicates that user preferences play a part in online usage, e.g., many investors use the Internet for email or retail "browsing" but prefer hard copy information with respect to their investments. These findings are validated directionally by ADP's processing experience. When last analyzed, out of 12.5 million investors who initially provided their consent to e-delivery of proxy materials, 2.4 million subsequently dropped out of the program. In exit surveys, over 50% of the 85,000 former 'consenters' who responded indicated a preference for looking at proxy statements and annual financial reports on paper.

A telephone survey administered by Forrester provides investors' reactions to taking specific steps to access information. Although the focus of the survey was on proxy statements and financial reports, the findings indicate there could be risks to the potential framework as it relies on mechanisms for investor access that are similar to those outlined in the proposed Notice & Access rules. Significant percentages of equity investors who are online and receive proxy voting and financial information today by mail, indicated they would be *unlikely* to: (i) "Go to the companies' web sites and look at the information online" (49%); (ii) "Download and print out the information from the Internet" (75%); or, (iii) "Call a toll-free number to request that the information to be sent to you." (65%) There were similar responses by investors to an online survey administered by comScore Networks. Majority percentages of investors indicated they would be less likely to look at proxy and financial statements online and less likely to take steps to obtain the information if it was no longer provided automatically to them. The findings were more pronounced among investors 51 years of age or older.

Cost Shift to Investors: Under the potential framework, investors would need to request printed copies of the prospectus, search for and view it online, or download and print it at their expense. This shift has the potential to reduce the number of investors who look at the information.

III. The MSRB's potential framework is premised on the belief that considerations of facilitating effective access to information in registered securities offerings are equally applicable to municipal securities offerings. We submit, however, that registered securities offerings include unique standards for effective information access and a generally greater flow of information.

As a general matter, investors in securities registered under the Securities Act of 1933 make their purchase decisions prior to delivery of a final prospectus. The adopting release for Securities Offering Reform Rulemaking (SEC Release No. 33-8591; July 19, 2005) described the basis for the "access equals delivery" model as follows:

> … in the current system, if no preliminary prospectus or written selling materials are distributed, the final prospectus is the only prospectus received by investors. However, an investor's purchase commitment, and the resulting contract of sale of securities to the investor in the offering, generally occur before the final prospectus is required to be delivered under the Securities Act. Moreover, for sales occurring in the aftermarket, as a result of our rules, investors in securities of reporting issuers generally are not delivered a final prospectus. Accordingly, the greatest utility of a final prospectus may be as a document that informs and memorializes the information for the aftermarket. Actual delivery to purchasers is not necessary to satisfy this purpose.
>
> We have previously adopted a number of other rules to address prospectus delivery in primary offerings and secondary market transactions. Securities Act Rule 153 addresses delivery of final prospectuses in transactions between brokers taking

> place over a national securities exchange. Securities Act Rule 434 was intended to ease the burden of prospectus delivery within the T+3 settlement cycle by permitting delivery of a final prospectus to be made in multiple documents at different intervals in the offering process.
>
> Many of our recent rulemakings to improve the content and timing of a reporting issuer's Exchange Act filings, together with the communications and procedural changes we are adopting today, are aimed at providing more information to investors at the time they commit to purchase a security. As we discussed in the Proposing Release, the increase in the flow of current information about a reporting issuer, and the ability of offering participants to use free writing prospectuses in connection with offerings, will give offering participants a greater ability to provide information to investors about the securities at that time. Further, rapid technological advances in the area of information delivery have resulted in greater access to information. For example, prospectuses and other filings now are available through EDGAR and other electronic sources, including the Internet, immediately upon filing.

As the Rulemaking indicates, the "access equals delivery" model is premised on an offering regime for registered securities offerings that generally does not apply to municipal securities offerings. In particular, the information flow between an investor and an issuer in a registered securities offering is understood to be more significant. The availability of Rule 134 communications, Rule 434 term sheets, Rule 433 free writing prospectuses, and other mechanisms allow issuers of registered securities to convey greater information about themselves and their offerings than is the case in municipal offerings.

While this does not mean that the "access equals delivery" model will never be appropriate for municipal offerings, it suggests that significant changes to the manner in which municipal securities are bought and sold would have to be made for equally effective information access to be provided.

IV. With modification, we believe the MSRB's potential framework can be implemented to support the flow of information to investors *and* reduce costs to issuers and selling dealers. In the hope of bringing about constructive improvements, ADP respectfully offers the following suggestions:

Central Repository: We believe the MSRB's concept of a central repository offers market participants a means to access information online and, combined with e-delivery, efficiently distribute official statements once filed. ADP is committed to working with the MSRB to create a digital library of all municipal offering statements for public access. We are committed to making the necessary investments in technology, processes, and human capital. We would also be interested in managing the central repository on an ongoing basis and in providing uniform methods of information access, retention, and security for official statements.

Mr. Ernesto A. Lanza
September 15, 2006

E-Delivery: It is understood that individuals use the Internet for their own convenience, not for the convenience of others. Investors are more likely to access and look at final prospectus information if it is automatically sent to them than if they have to take steps to obtain it. Using email to automatically and efficiently deliver information to investors, with their consent, is consistent with the MSRB's goal of enhancing access. E-delivery also lays an important foundation for providing qualitatively improved information to investors. We are committed to working with the MSRB, financial intermediary clients, and other constituents to leverage existing e-delivery and 'consent' capture capabilities for application to municipal securities offerings.

Dual Distribution: In connection with the proposed rules on Internet Availability of Proxy Materials, ADP discussed with the Commission the benefits to market participants of a 'dual distribution' approach. Similarly, with respect to the MSRB's potential framework, ADP is committed to working with broker-dealer clients to provide e-delivery to investors who today receive materials by mail. Investors would receive materials via both channels and have opportunities to indicate their consent to e-delivery. We believe it is possible to test value propositions for e-delivery. Investors who give their consent to e-delivery would no longer receive printed copies.

Qualitatively Improved Information: The potential framework does not change the content of the information provided to investors. It puts online the same information that is provided today in hardcopy. As currently outlined, the MSRB's potential framework does not discuss the benefits to market participants of utilizing smaller, plain English, or 'profile' compliance documents, of giving investors the content and format they want, or of filing statements in XBRL format. ADP is committed to working with the MSRB, SEC, and all interested market participants on ways to provide qualitatively improved information to investors. We believe e-delivery initiatives, based on investor consent, provide an important foundation for such efforts because they keep individual investors involved. Automatic e-delivery of information supports broader efforts to put investors in the driver's seat and offers a means to easily access/'link to' more-detailed information sources.

In closing, we wish to thank the MSRB for the opportunity to comment on the potential framework. We hope you have found our comments constructive and useful. Should you have any questions, or require additional information, we are pleased to respond.

Sincerely,

Gerard Scavelli

Gerard F. Scavelli
Senior Vice President & General Manager

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Ernesto Lanza
Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

August 7, 2006

Re: MSRB Notice 2006-16

Dear Ernie:

This letter is in response to the MSRB's request for comments regarding the "Access Equals Deliver" Standard for Official Statement Dissemination. We believe that a centralized database of official statements, available for free to customers and other dealers via the Internet, would greatly enhance the municipal securities marketplace, provided the database would eliminate the need to send physical copies of official statements. In addition to reducing our costs of producing and mailing these documents, a centralized database would provide more timely access of these documents to the investing public. Such a database would really benefit all participants in the municipal securities marketplace by making more information available quicker, and in a more cost effective manner.

Bernardi Securities, Inc. currently submits the majority of official statements to the MSRB in an electronic format. We believe that amendments to Rule G-36 requiring all official statements to be submitted in an electronic format would not be burdensome. We currently submit electronic documents in portable document format (pdf). However, we recommend that any database created accept other document types, but display them in a read-only format.

We believe that it makes the most sense for the MSRB to host this database, as the MSRB is currently the recipient and "central repository" of all official statements. This method is superior to the described "index of hyperlinks" method, as there is assurance that the requested document will continue to be hosted throughout the disclosure period. While the current disclosure period ends 25 days after the closing of the bond issue, it would be very helpful if the official statement could remain accessible for a longer period—ideally the life of the issue, unless costs of hosting are prohibitive. While a uniform deadline for submission, such as no later than bond closing, may be necessary for this type of database, the system should be built to accept preliminary official statements when circumstances beyond the dealer's control exist.

In summary, Bernardi Securities, Inc. is very supportive of "Access Equals Delivery" initiatives. We feel these initiatives will greatly enhance our marketplace. Please feel free to contact me at (312) 281-2010 if you or the Board have any questions.

Sincerely yours,

Eric Bederman
Chief Compliance Officer

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September 15, 2006

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2006-19: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Bond Market Association ("Association")[1] appreciates this opportunity to respond to the notice ("Notice") issued by the Municipal Securities Rulemaking Board ("MSRB") on July 27, 2006[2] in which the MSRB requests comment on the application of the "access equals delivery" standard to official statement dissemination for new issue municipal securities. The Notice sets out the MSRB's proposals for implementation of an electronic system of primary market disclosure to promote significantly more effective and efficient delivery of material information to new issue customers and to the marketplace generally. The Notice describes a potential framework for instituting "access equals delivery" standards for MSRB rules, modeled, in part, on recent rule changes adopted by the Securities and Exchange Commission ("SEC") for prospectus dissemination in connection with the registered securities market. [3]

The key to the success of the SEC's implementation of "access equals delivery" in the registered market is that the relevant information is readily available on EDGAR in one central electronic location, "real-time" and free of charge[4]. The Association believes that

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[1] The Association is a trade association that represents approximately 200 securities firms, banks and asset managers that underwrite, trade and invest in fixed-income securities in the United States and in international markets. Fixed income securities include U.S. government and federal agency securities, municipal bonds, corporate bonds, mortgage-backed and asset-backed securities, money market instruments and funding instruments such as repurchase agreements. More information about the Association and its members and activities is available on its website www.bondmarkets.com. The Association is expected to merge with the Securities Industry Association in November 2006. More information about the SIA and its members and activities is available on its website www.sia.com.

[2] MSRB Notice 2006-19.

[3] *See*, Federal Register (Wed. Aug. 3. 2005).

[4] Please note that EDGAR filing fees are paid by corporate issuers and that this fee structure is different than that which exists currently in the municipal securities market. Different cost structures may be appropriate for different markets.

the key to success for implementation of a comparable system for the municipal marketplace is that the proposal meets the readily available, cost-effective standard, that it promotes efficiency in the market, that it meets criteria for "flow through" processing of information and that it provides customers a single location to access both primary and secondary market information.

A. General Requirements for Access Equals Delivery Solutions

1. The Concept of a Central Repository Versus a Directory

The Association does not believe that a "central directory" meets the readily available standard. A customer should not be required to access a directory that informs the customer where a disclosure document is located in a decentralized system where the actual document may be on one of many Internet sites. To maintain the comparability to the SEC's system for registered securities there should be a single site to locate and access the final official statement ("OS"). This conclusion suggests that the repository be one of the other two possibilities indicated in the Notice: a centralized Internet website established by the industry in the marketplace, or the MSRB itself.

Ideally, the repository, whether a centralized website or the MSRB, should be a repository for both primary market disclosure and secondary market disclosure filed pursuant to the continuing disclosure system under SEC Rule 15c2-12. This requirement would comply with the standard established by the SEC for registered securities in its EDGAR system to make both primary and secondary market information readily available. Of course, while filing primary and secondary market data for registered securities in the EDGAR system is mandated, in the decentralized municipal securities disclosure world, available information differs significantly at each repository and is generally only available for a fee. Customers seeking information about one or more issuers or securities in the new paradigm for municipal securities should not be forced to go to multiple sites for information.

The central repository should also receive and disclose other documents required to be filed under MSRB Rule G-36, namely advance refunding documents and Forms G-36(OS) and G-36 (ARD). In short, access to all filings required by Rule G-36 and SEC Rule 15c2-12 should be at one location, readily accessible to investors.

Rigorous analysis of the costs and how they are to be borne should be established ahead of time to ensure that whichever system is established is cost-effective. The Association feels that close attention should be paid to what entity can launch an "access equals delivery" solution in the most timely and cost-effective manner. Further discussion also needs to occur amongst industry members focused on what parties should bear the costs of this new system before any additional buildout costs or ongoing filing fees are imposed. In the current paradigm, the costs of the mechanical aspects of disclosure dissemination are shared by dealers and investors. Filings required by Rule G-36 and SEC Rule 15c2-12 currently are not free to investors from the nationally recognized

municipal securities information repositories ("NRMSIR"s)[5]. Dealers also currently support the MSIL and CDINet[6] systems through fees due to MSRB.

MSRB controls over this new system can be established by contract if the repository is a centralized internet website rather than the MSRB.

2. Availability Beyond the New Issue Disclosure Period

The Association believes the final OS should remain available to customers, and other interested parties, at the central site beyond the new issue disclosure period, which is the required period for dealer delivery of final OSs under Rule G-32. The new issue disclosure period and the Rule G-32 delivery requirement end 25 days after the closing, but the value of having access to the final OS beyond that date cannot be overstated. The typical argument for deleting a primary market offering document from a website after a period of time is that information becomes stale, but that is not the case for much of the information in a municipal OS. The maturity schedule, redemption provisions, covenants to protect bondholders, additional bonds tests, refunding rights, defeasance provisions and legal opinions, among other items, do not become stale. Debt finance, generally, and public finance, particularly, have much material information that is based on documents that are in effect for the life of the bonds. Even the financial information and operating data that are time sensitive have value for the secondary market because continuing disclosure, pursuant to SEC Rule 15c2-12, is based on the financial information and operating data set forth in the final OS, and having the final OS available provides a valuable reference to give context to the review of annual disclosure. The use of archives and warnings are now sufficiently commonplace to give investors adequate notice of staleness issues.

In addition to archiving final official statements, other Rule G-36 filings and annual continuing disclosure or material event notices should also be archived.

3. Requirement for Electronic Rule G-36 Submissions

The Association believes that the proposal in the Notice to require all Rule G-36 submissions to the MSRB in electronic form would not place an unreasonable burden on the public finance industry. As stated in the Notice, the availability of electronic OSs is growing rapidly and the proposed rule change would probably further promote the move from paper to electronic disclosure. MSRB currently accepts electronic submissions of G-36 documents and G-36 forms, and we understand that approximately half of G-36 filings are currently submitted electronically. The Association recognizes that, because

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[5] The Association is aware that access to the MSRB's physical MSIL collection is free if an interested party goes to the MSRB's offices, however the MSRB does not currently have an electronic method for investors to search for and retrieve OSs. The MSIL system is available electronically from the MSRB only by a fee-based subscription service.

[6] The Association is aware that the MSRB plans to discontinue the CDINet system.

of limitations on MSRB jurisdiction to brokers, dealers and municipal securities dealers (collectively, "dealers"), there may be circumstances in which dealers will be required to scan documents to make electronic submissions, but we are of the opinion that any potential burden on dealers is not sufficient to oppose the requirement. However, we note that the current G-36 electronic filing format is not particularly user-friendly. It is imperative G-36 electronic filing be made as simple as possible.

Depository Trust and Clearing Company ("DTCC") also already encourages submission of electronic versions of the preliminary OS as well as the final OSs (the underwriter is charged a disincentive fee of $200.00 per paper submission) for its underwriting eligibility process.

However, the Association does not believe the proposed rule change should contain any specific requirement for dealers to verify the accuracy of the submission. Each dealer firm is likely to have policies and procedures for Rule G-36 compliance, and those policies and procedures can be adapted to changes in the technology of electronic disclosure.

Underwriters should continue to be required to provide Rule G-36 submissions, not financial advisors. Underwriters have substantial liability if a filing is not done when and as required. It is important to underwriters that they control the filing process so that they can ensure compliance with the access equals delivery process, when implemented, and all applicable MSRB or SEC rules.

Again, regardless of what centralized site is used for the access equals delivery solution, the Association believes that all filing documents, such as advance refunding documents and the G-36 forms, as well as Rule 15c2-12 secondary market disclosure documents should be filed in the same place.

4. The Timing of Rule G-36 Submissions

The MSRB requests comment on whether the date for submission of the final OS to the MSRB should be changed from the current requirement of no later than 10 business days after the sale date to no later than the closing. The Notice further requests comment on whether there are any circumstances in which the final OS is not prepared by the closing date.

The Association does not recommend changing the Rule G-36 submission date for issues subject to SEC Rule 15c2-12 from one business day after receipt, but no later than 10 business days after the sale, to one business day after receipt, but no later than the closing. The Association also does not support changing the current version of Rule G-36 with respect to issues that are exempt from Rule 15c2-12 because there are circumstances in which the final OS is not prepared by the closing when the pricing does not occur until the morning of the closing. Current Rule G-36 was drafted to meet these situations and should not be changed. If anything, Rule G-36 should be revisited to

consider situations that are not exempt from Rule 15c2-12, but which may represent circumstances when filing a final official statement within 10 business days of sale (or the closing) is difficult or impractical. Some auction rate securities and forward delivery issues are in this category.

5. Timing of Notice to Customers

The Association supports the proposal to provide notice to customers within two business days of trade settlement to conform Rule G-32 to SEC Rule 173 for registered offerings with the understanding that operations people will give notice in the municipal securities market by confirmation disclosure comparable to Rule 173 notices.

6. Straight Through Processing

The repository should be part of a linkage in the movement towards the straight through processing of information. Similarly to automated comparison, clearance and settlement under Rule G-12, the final OS has a number of locations it must reach, including, the MSRB, CUSIP, DTCC, underwriters, dealers and customers. The managing underwriter initiating the flow should be able to send the document to one location and have it automatically processed through to the other required locations. For example, if there is a central repository other than the MSRB, the managing underwriter should be able to transmit the document to the central repository and have it automatically processed through to the DTCC, CUSIP and the MSRB and make the document available for access in real time by underwriters, dealers and customers at the repository. Alternatively, the document could be routed to DTCC, CUSIP and then on to the MSRB and the repository (if separate from the MSRB). Or the flow could start at the MSRB – as long as the technology allows for real-time retransmittal of the filing documents to the other required sites.

The underwriter submits electronic OS's to not only DTCC but also to CUSIP and sometimes the NRMSIR's. One submission to one designated entity would provide availability of data to all interested parties simultaneously, as these electronic submissions are generally accomplished at the same time. Keeping the process simple will provide easier compliance by underwriters with less chance of accidental error.

7. Format of Filings

While security is extremely important, any rule should be flexible enough to deal with advances in electronic technology that meet or exceed the current parameters for PDF. The form of filing should allow the underwriter to e-mail a final official statement that is in e-mail form from the issuer to avoid the problem of downloading and resubmitting in batches that sometimes overload memory capacity.

8. Addenda or Supplements

Investors should be informed of any addenda or supplements to a filed OS. Generally, as is the current rule, if an amended OS is required then providing an amended replacement OS should be sufficient. Technology, however, may be useful to highlight changes from the original filing, if possible. Alternatively, any supplements should be tagged to the OS to which it relates to ensure that investors are aware that it has been updated.

B. Exceptions to the Proposed Rule Change

The Association does not believe the access equals delivery model should apply to the following:

1. Municipal Fund Securities, as defined by the MSRB, for the reasons stated by the MSRB in the Notice; and

2. Limited offerings exempt from Rule 15c2-12 under Rule 15c2-12(d)(i) because there is no reason for public access to the disclosure material in connection with such offerings.

C. Location of the Central Repository

The Association has been advised that the Municipal Advisory Council of Texas, the developer and operator of the Central Post Office (the "CPO")[7] which serves as a central location for the filing of secondary market information, has offered to configure its website to allow it to be a single location for the filing and hosting of primary market final OSs. We note the strong record of the CPO, and the significant progress being made towards a more efficient secondary market disclosure process. The Association at this time, however, is not stating a preference for the CPO, the MSRB, or any other potential hosting site. The Association does, however, believe that whether the central repository is the MSRB, the CPO, or some other centralized Internet website, there are criteria that must be met and the Association would be interested in learning more about the parameters that the MSRB sets before advocating any one hosting site over another. An important consideration is how quickly the designated central repository can become functional as we believe the sooner "access equals delivery" can be implemented, the better.

The Association believes that if the MSRB does not become the repository for purposes of "access equals delivery" of official statements, it would be beneficial for the MSRB to review the process for filing G-36 forms and related documents to see if a more streamlined process can be developed for obtaining the information it needs. Requiring the filing of the same documents with multiple entities through multiple processes is an unnecessarily costly and time-consuming activity yielding no additional benefits to any party.

We look forward to discussing these issues further with the MSRB Board and staff and appreciate your consideration of our comments on this proposal. Please contact the undersigned at 646.637.9230 or via email at Lnorwood@bondmarkets.com with any questions that you might have.

Sincerely,

/s/ Leslie M. Norwood

Leslie M. Norwood
Vice President and
Assistant General Counsel

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[7] The Municipal Advisory Council of Texas developed and operates the CPO under agreement with the Muni Council, an organization composed of trade groups representing the major constituents of the municipal securities industry.

cc: ***Municipal Securities Rulemaking Board***
Mr. Christopher Taylor, Municipal Securities Rulemaking Board
Diane Klinke, Esq., Municipal Securities Rulemaking Board
Hal Johnson, Esq., Municipal Securities Rulemaking Board

The Bond Market Association
Municipal Executive Committee
Municipal Legal Advisory Committee
Municipal Credit Research, Strategy & Analysis Committee
Municipal Operations Committee
Municipal Sales and Marketing Committee
Municipal Syndicate & Trading Committee
Municipal Brokers Brokers Committee
Municipal IDB Working Group

brokersXpress
Member NASD - SIPC

September 15, 2006

Ernesto A. Lanza
MSRB
Senior Associate General Counsel
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 Comments on "Access Equals Delivery"

Dear Mr. Lanza,

We are an on line broker dealer who would like to commend the MSRB for moving progressively toward creating an efficient electronic method of primary market disclosure. Our business is based entirely on the internet, which has proven to be more cost effective as well as more immediate as a means of communication with our customers.

The electronic statements are already becoming the norm and we do not expect there to be any burdens placed on issuers should this become a requirement. We have found that configuration control is an issue and there must be a method for maintain the integrity of such. I our environment, we have found creating a pdf is the most cost effective way of ensuring configuration control. We have used WORM (write once, read many) files, but found the costs to be higher.

A centralized website would require less maintenance than multiple sites and therefore be more efficient. Consistent application of regulations also lends itself to one centralized site. From a customer protection standpoint, there would be less potential confusion if there were one site for all public access although site complexity and ease of use will become an issue. The current 25 day disclosure period seems reasonable and we see no reason to change that.

We are not aware of any issues preventing an electronic disclosure method from being implemented to all new issues, notwithstanding the exemptions as cited in Rule 15c2-12.

Part of the qualification process should be the existence or availability the required documentation in an acceptable format which should relieve dealers of the responsibility of confirming availability. Matching the SEC's two day post settlement delivery makes sense for consistency in the industry as does a single ultimate deadline for all issues.

We would like to thank the MSRB for moving this project forward.

Sincerely,

Blaine Schwartz
President & CCO
brokersXpress, LLC

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CSPN

College Savings Plans Network

September 22, 2006

Via FedEx and email
Ernesto Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street – Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 – Access Equals Delivery

Dear Mr. Lanza:

The College Savings Plans Network ("CSPN"), the national organization composed of States that establish and administer Qualified Tuition Plans under Section 529 of the Internal Revenue Code of 1986 ("Section 529 Plans"), wishes to thank you for the opportunity to comment on the MSRB's recent Notice 2006-19 regarding an Access Equals Delivery Standard for Official Statement Dissemination. In general, we are in favor of an Access Equals Delivery Standard. We are happy to provide you with the following requested comments with respect to particular aspects of a potential Access Equals Delivery Standard as applied to Section 529 Plans.

Electronic Official Statements

You have asked for comments on *"the current availability of electronic official statements from issuers and the factors affecting future growth in such availability. The MSRB also seeks comment on the nature and level of potential burdens of requiring that all submissions under Rule G-36 be undertaken in electronic format. Further, the MSRB currently requires that electronic official statement submissions be made solely as portable document format (pdf) files. The MSRB requests comment on the advisability of accepting other electronic formats, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors."*

Most 529 Plans, other than certain prepayment plans, are offered on a continuous basis.[1] Offering Materials[2] are currently available for download online through each Plan's

[1] Prepaid College Savings Plans generally have a limited enrollment period associated with a set of prices for purchasing years or units toward college tuition and fees. Prepaid College Savings Plans generally are administered solely by State administrators and not offered or sold by municipal securities dealers, and do not constitute securities in the traditional sense. Accordingly, they would generally be excluded from any official statement dissemination requirements imposed by the MSRB's rules and are not addressed by this letter.

website. All Offering Materials are also available through the CSPN website via link to each 529 Plan's website. Many account owners currently receive full Offering Materials in this fashion before opening an account. Before enrolling in a 529 Plan online or via paper application, each 529 Plan requires the investor to acknowledge the Offering Materials (or, minimally, the official statement). In addition, a significant number of municipal fund securities dealers that distribute 529 Plans currently file official statements for their respective 529 Plan issuers with the MSRB in an electronic format, rather than in a hard copy format. Consequently, implementation of the Access Equals Delivery Standard by any municipal fund securities dealers that choose to take advantage of that option if available should not be difficult.

Because Offering Materials are already provided in an electronic format and many investors enroll online, CSPN would generally support permitting official statement delivery requirements to be satisfied via an electronic access portal. In addition, since each 529 Plan prepares its online materials in PDF file format, we would be in favor of continuing the current MSRB electronic file format as long as the security of PDF files was maintained.

Centralized Website vs. Decentralized System

You have asked for comments on *"whether a centralized website where all official statements for issues in their new issue disclosure period are feely available to the public would be preferable to a decentralized system in which issuers, financial advisors, underwriters, information vendors, printers and others post their respective official statements for the required period, with a central index providing hyperlinks to the official statements."* You also asked for comment on whether the MSRB should undertake the centralizing function, or whether there are other market participants or vendors who could undertake those duties.

As noted above, CSPN's website currently provides centralized access to the full text of the Offering Materials made available by 529 Plans on their respective websites. As you know, we are in the process of enhancing our website. The enhancements and additions we make to our site should satisfy any Access Equals Delivery Standard developed for

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[2] For purposes of this letter, any reference to Offering Materials pertains to the definition of Offering Materials contained in the College Savings Plan Network Disclosure Principles Statement No. 2, dated July 26, 2005 as follows: "all documents identified by the State Issuer as intended to provide substantive disclosure of the terms and conditions of an investment in its Savings Plan. Such Offering Materials may include appendices and physically separate documents. Offering Materials do not include marketing materials or advertisements that do not include substantive disclosure of such terms and conditions or that refer to the Offering Materials as the definitive statement of such terms and conditions. The Offering Materials should present information in a clear, concise and understandable manner." The Offering Materials would include any official statement required to be delivered to the MSRB by a municipal securities dealer.

529 Plans without the need for the MSRB to itself furnish electronic access to the official statements included in the Offering Materials. Because the 529 Plan market is a retail market, utilizing the CSPN website as the centralized access point for electronic disclosure would assist in limiting investor confusion and would support CSPN's efforts over the past several years, with MSRB assistance, to assure the ability of current and prospective account owners to readily obtain 529 Plan disclosure from a centralized website that facilitates their comparison of 529 Plans.

Rule Changes

You have asked for comment on *"whether the "access equals delivery" model should be available on all new issues or whether certain classes of new issues should continue to be subject to a physical delivery requirement. For example, the SEC did not make the "access equals delivery" model available for mutual fund sales. Should this model be made available in connection with the sale of municipal fund securities, including interests in 529 college savings plans?"*

CSPN would like to take this opportunity to identify several questions and concerns relative to the implementation of an Access Equals Delivery Standard with respect to 529 Plans in light of the facts that (i) they are continuously offered, (ii) a general industry practice has developed of delivering the Offering Materials prior to or at the time of sale and (iii) mutual fund securities have not been included in an Access Equals Delivery Standard. We believe that these factors indicate that some modifications or clarifications to the Access Equals Delivery Standard may be appropriate. We have four basic concerns about adoption of the Access Equals Delivery Standard for 529 Plans.

First, the Access Equals Delivery Standard as currently implemented by the Securities and Exchange Commission (SEC) requires a notice to investors that refers investors to EDGAR for retrieval of the final prospectus in lieu of physical delivery of the final prospectus. As noted above, the 529 Plan industry practice, consistent with the general practice for the offering and sale of municipal bonds, is to deliver Offering Materials to 529 Plan investors prior to or at the time of the sale. In contrast to the offer and sales process for municipal bonds, however, there is no "pricing" involved in the sale of 529 Plan securities, and therefore, no distinction between a "preliminary" official statement delivered prior to or at the time of sale and a "final" official statement delivered subsequent to sale. Therefore, for the Access Equals Delivery Standard to achieve the economies and efficiencies that are intended, it would need to be clear that the "final" official statement includes Offering Materials whether delivered prior to, at the time of, or subsequent to the sale.

Second, it may be necessary to modify the Access Equals Delivery Standard to accommodate the continuous offering nature of 529 Plans and the fact that, while 529 Plan Offering Materials are generally updated at least annually (and often more frequently), this does not take place on a predetermined schedule. As a general rule,

updates to Offering Materials are distributed to current plan participants as well as included in subsequently distributed enrollment kits and added to the PDF file available online for the benefit of new investors. Presumably, both (i) a statement in Offering Materials that revised or new Offering Materials will be made available through posting on the 529 Plan website, and on any applicable centralized website; and (ii) posting on the 529 Plan website, and on any applicable centralized website; of notice of the availability of revised or new Offering Materials, would be required in order for the Access Equals Delivery Standard to be relied upon in connection with a particular sale.

We believe that consideration should be given to what, if any, additional notice to current 529 Plan participants of revised or new Offering Materials should be required. It may be possible to email a notice to an investor that provided an email address. The use of email, however, is subject to the risk that the investor may change addresses without notifying the 529 Plan. While some 529 Plans are able to ensure that paper delivery is re-instated if the email address provided by the investor fails, not all 529 Plans currently have the capability to distribute participant-wide email notices. It may be more appropriate for a 529 Plan Access Equals Delivery Standard to remain as the current "opt-in" system utilized to satisfy municipal securities dealer official statement delivery requirements. The opt-in system involves a presumption that investors would receive hard copies of Offering Materials and any updates to those materials unless they affirmatively elected to participate in the Access Equals Delivery process when presented with the option in a written election form.

Third, if 529 Plan materials were hosted on a website other than CSPN's website (or a 529 Plan's own website), we have some concerns about how security would be maintained with regard to the Offering Materials (or at least the official statement) of each 529 Plan. Each issuer of a 529 Plan would need assurance that the Offering Materials delivered to a centralized website would become publicly available on the website exactly as transmitted by the issuer or the municipal fund securities dealer distributing the 529 Plan.

Fourth, we note that the SEC has yet to adopt an Access Equals Delivery Standard for mutual fund securities. Since most 529 Plan investment options are invested in mutual funds, we assume that the SEC would be reluctant to approve an Access Equals Delivery Standard for municipal fund securities unless its concerns relating to use of such a standard for mutual funds were addressed. We are concerned that any standard adopted by the MSRB may be in conflict with the SEC's current position or a standard later adopted by the SEC or result in duplicated delivery or notice requirements for the municipal securities dealers that distribute 529 Plans. However, we note that Offering Materials for 529 Plans tend to be substantially more voluminous than mutual fund prospectuses, and that the cost-benefit analysis involved in avoiding a requirement of physical delivery, with its attendant printing and mailing costs, may tilt more in favor of an Access Equals Delivery Standard in the context of 529 Plans, especially since the

costs associated with physical delivery are a not insignificant factor in the level of fees that 529 Plans are required to assess to customers.

We applaud your efforts to streamline the dissemination of official statements and would be happy to discuss any of our questions, concerns and observations with you at your convenience. You may contact Elizabeth Bordowitz, Chair, CSPN Lawyer's Committee at (207)-623-3263, Ext. 223 or Mary Anne Busse at (248) 990-3886. Thank you, again for the opportunity to offer our observations on Access Equals Delivery.

Very truly yours,

Jacqueline T. Williams

Jackie T. Williams, Chair
College Savings Plans Network

Commerce Bank

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(816) 234-2000

Ernesto A. Lanza, Esquire
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Ste. 600
Alexandria, VA 22314

September 13, 2006

Re: MSRB Notice 2006-19: Application of "Access Equals Delivery" Standard

Dear Mr. Lanza:

The Compliance Department of Commerce Bancshares, Inc. appreciates the opportunity to comment on the MSRB proposal to apply a modified "Access Equals Delivery" standard to official statement dissemination for new issue municipal securities.

Commerce Bancshares, Inc. (CBI) is a registered bank holding company with total assets of $14.3 billion at June 30, 2006, and three bank subsidiaries. Two of these banks are full-service banks, with approximately 200 branch locations in Missouri, Kansas, and Illinois. The other bank is a limited-purpose bank, with one office in Omaha, Nebraska. All of the banks are national banks. A full line of banking services, including investment management and securities brokerage are offered. The Company also has operating subsidiaries involved in mortgage banking, credit related insurance, venture capital and real estate activities. The Company offers municipal security products, including municipal underwritings, through its Capital Markets Group (CMG).

Electronic Official Statements – CBI supports the proposal for the electronic submissions of final official statements to the MSRB in advance of primary offerings. Currently, over 90 percent of the final official statements for the offerings in which CMG participates are available in an electronic format. CBI supports the use of portable document format (PDF) for electronic official statements as an industry standard. The electronic preliminary and final official statements currently available to CMG are in a PDF format. We believe that offering an electronic final official statement in a PDF format would be more convenient than the hardcopy format for investors, and a cost saver for dealer-banks and broker-dealers.

Centralized Access to Electronic Statements – We agree with the MSRB that investors should have ready access to electronic official statements at no charge from a centralized website. We believe that a centralized directory/website operated by the MSRB would be a more reliable system than a directory operated by multiple parties (issuers, underwriters, information vendors, etc.). We respectfully suggest that the investment public should have access to electronic official statements for a period of 25 days after the bond closing, and that the MSRB provide an adequate lead-time to allow brokers, dealers, and municipal securities dealers to upgrade their system and implement the proposal.

We appreciate the opportunity to provide what we hope are constructive comments on the MSRB's proposal.

Sincerely,

Michael A. Dardis

Michael A. Dardis
Manager of Trust and Investment Products Compliance
Commerce Bancshares, Inc.

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September 29, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

Dear Mr. Lanza:

Digital Assurance Certification, LLC ("DAC") is pleased to respond to the request by the Municipal Securities Rulemaking Board (the "MSRB") for comment on the implementation of an electronic system of primary market disclosure in the municipal securities market. As described by the Board, the new system would be designed to promote significantly more effective and efficient delivery of material information to new issue customers and the marketplace in general than under existing requirements for physical delivery of official statements. The Board also states that the system would be modeled in part on recent rule changes adopted by the Securities and Exchange Commission (the "SEC") that instituted an "access equals delivery" model for prospectus dissemination for much of the registered securities market.

DAC has over 4 years of experience providing to the public, electronic versions of Official Statements by issuers of municipal securities at no charge on a "real-time" basis on the DAC website. DAC helps issuers, investors, and broker-dealers participating in the municipal securities market by providing a direct, immediate, secure, and verifiable means of investor access to a wide variety of documents, including over 4,000 Official Statements. DAC has provided issuers of municipal securities periodic alerts of upcoming filing obligations and transmission verification; investors with immediate e-mail alerts of and access to all DAC Bond disclosure filings; and secondary market broker-dealers with assistance in meeting their compliance needs under SEC Rule 15c2-12 for DAC Bonds by display of either an issuer's current annual filing or a failure to file notice. Disclosure on the DAC system is web-based, easily accessible and free of charge. Since January 31, 2005, DAC has provided MSRB RTRS secondary market trade data to the municipal market, combining both current disclosure and trade data for DAC Bonds in one location free of charge. DAC has developed a robust system of proven reliability with the capacity to implement, in short order, the Board's electronic system of primary market disclosure for the municipal securities market. We are happy to provide our response to the Board's questions below.

DAC®

Electronic Official Statements

Current availability of electronic official statements from issuers and the factors affecting future growth in such availability.

Issuers have contracted with DAC to make over 4,000 Official Statements freely available to investors and other municipal market participants. Substantially all Official Statements were readily available in electronic form from printers, issuer's counsel, or the issuer directly. The proliferation of electronic document management versioning systems and web based publishing by many bond counsel firms and others, may serve to make the choice to require an electronic version of the prospectus, the most cost effective option available to the municipal market.

Accepting electronic formats other than PDF, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors.

DAC receives more documents from printers, bond counsel and issuers in PDF than from all other formats combined. PDF is a widely used, cost effective system that allows any user to view information in a reliable, secure manner.

From our inception, DAC has delivered direct, immediate, secure, and verifiable disclosure on a "real time" basis for DAC Bonds at no cost to investors and the municipal market. We welcome this opportunity to provide comment to the Board and look forward to working with the Board to improve real time access to disclosure in the municipal securities market.

Sincerely,

Paula Stuart

Paula Stuart
Chief Executive Officer

DPCDATA™

September 13, 2006

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Dear Mr. Lanza:

Following are our responses to the questions posed in MSRB Notice 2006-19 on July 27, 2006 regarding application of the "access equals delivery" standard to official statement dissemination for new issue municipal securities.

The MSRB seeks comment on the current availability of electronic official statements from issuers and the factors affecting future growth in such availability. The MSRB also seeks comment on the nature and level of potential burdens of requiring that all submissions under Rule G-36 be undertaken in electronic format. Further, the MSRB currently requires that electronic official statement submissions be made solely as portable document format (pdf) files. The MSRB requests comment on the advisability of accepting other electronic formats, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors.

DPC DATA Inc. ("DPC") has been in the business of distributing electronic copies of final municipal bond official statements to the market since 1992, and we have provided electronic copies of continuing disclosure filings and material event notices to customers since we obtained the designation of Nationally Recognized Municipal Securities Information Repository ("NRMSIR") from the US Securities and Exchange Commission in 1997. Since 1999, our entire collection of official statements and secondary disclosure documents has been available to the general public in PDF format on our web site, http://www.DPCDATA.com. The municipal bond archive available to the public on this web site today contains more than 830,000 fully indexed documents. This is the single largest municipal bond disclosure document archive in existence with unrestricted public internet access.

DPC obtains the vast majority of final official statements for its archive via its subscription to the MSRB's MSIL service, through which we receive a daily data delivery. We index the documents to facilitate customer access and publish them on our web site within a few hours of when we receive the daily data delivery from the MSRB.

It is our understanding that the MSRB processes official statement submissions it receives under Rule G-36 promptly and delivers them to MSIL subscribers for next day delivery. Aside from the requirements imposed by Rule G-32 and G-36, the actual time taken by underwriters to submit final copies of official statements is outside the control of the MSRB. However, we receive our data delivery one day after the MSRB has processed the submitted documents.

The following tables contain data derived from DPC's internal records that compare the dates on which we actually receive final official statements from the MSRB with the dated dates of the deals received.

Percent of Final Official Statements Received After the Dated Date					
Deal Size	**2002**	**2003**	**2004**	**2005**	**2006 YTD**
<$10MM	80%	74%	72%	76%	65%
$10MM to <$50MM	74%	66%	55%	50%	42%
$50MM to<$100MM	76%	71%	54%	48%	36%
>$100MM	78%	67%	49%	50%	40%
All Deals	78%	72%	67%	69%	58%

Percent of Final Official Statements Received On the Dated Date					
Deal Size	**2002**	**2003**	**2004**	**2005**	**2006 YTD**
<$10MM	2%	2%	3%	3%	3%
$10MM to <$50MM	5%	6%	9%	7%	7%
$50MM to<$100MM	4%	7%	10%	9%	10%
>$100MM	5%	7%	9%	8%	11%
All Deals	3%	4%	5%	4%	5%

Percent of Final Official Statements Received Before the Dated Date					
Deal Size	**2002**	**2003**	**2004**	**2005**	**2006 YTD**
<$10MM	18%	24%	25%	21%	31%
$10MM to <$50MM	22%	28%	36%	43%	51%
$50MM to<$100MM	20%	22%	36%	43%	54%
>$100MM	17%	26%	42%	42%	50%
All Deals	19%	25%	28%	27%	37%

While imperfect, these figures still can be viewed as a crude benchmark for when the final official statements submitted to the MSRB under Rule G-36 actually become available to the general public relative to the initial interest accrual date of the bonds. The trend has generally improved with some consistency from 2002 to the present to the point that, with all of the inefficiencies of the current filing regime unaltered, approximately 42% of all final official statements reach the public on or before the dated date of the deal. This compares favorably with the corresponding 22% figure for 2002, and it shows that final official statements are getting into the public's hands in electronic form faster than ever before.

One likely reason for the improving timeliness in the availability of final official statements to the public is the broad and growing adoption of electronic documents. It is cheaper, easier and faster to deliver an electronic document than a paper document. Moreover, electronic documents can be sent, stored, catalogued, retrieved and forwarded with the standard software that exists on virtually every personal computer in existence.

DPC observes that the nature and level of burden associated with creating and submitting electronic documents is subsiding at high speed. To estimate the natural rate of adoption of electronic document filing by obligated persons and their fiduciaries and agents, we analyzed our internal data pertaining to official filings of continuing disclosure materials and material event notices made to the DPC NRMSIR. The following tables summarize our findings.

DPC NRMSIR Continuing Disclosure Filings by Delivery Type					
Delivery Type	**2002**	**2003**	**2004**	**2005**	**2006YTD**
Electronic	8%	12%	31%	61%	71%
Paper & Fax	92%	88%	69%	39%	29%

DPC NRMSIR Material Event Notice Filings by Delivery Type					
Delivery Type	**2002**	**2003**	**2004**	**2005**	**2006YTD**
Electronic	1%	6%	9%	48%	88%
Paper & Fax	99%	94%	91%	52%	12%

We believe that these secondary disclosure filings are the best surrogates for determining the current state and trend for the adoption of electronic filings, and they strongly indicate that electronic documents are already broadly embraced by municipal bond market professionals. We estimate that if the MSRB revises Rule G-36 to require that all final official statements be filed electronically, it would benefit the market greatly by reducing the amount of time required for document handling and distribution. As shown in the tables above, the market has for the most part already made the leap from paper to electronic delivery.

It is our strong recommendation that if the MSRB revises Rule G-36 to require electronic document filing of final official statements that it require the filings to be made in a single electronic format. The most easily adopted, least burdensome format for producers and consumers alike is PDF, and we urge the MSRB to choose PDF as the required format. Allowing other electronic formats would merely add to the processing time and cost for vendors, and would potentially inconvenience end users to the extent that they do not already possess the software required to open all other document file formats.

The MSRB seeks comment on whether a centralized website where all official statements for issues in their new issue disclosure period are freely available to the public would be preferable to a decentralized system in which issuers, financial advisors, underwriters, information vendors, printers and others post their respective official statements for the required period, with a central index providing hyperlinks to the official statements. Should the MSRB itself undertake either centralizing function, or are there other market participants or vendors who could undertake such duties subject to appropriate supervision? The MSRB also seeks comment on whether the current new issue disclosure period ending 25 days after the bond closing would be the appropriate period for purposes of maintaining free centralized access to official statements, or whether a longer period would be more appropriate.

When you consider the ease factor for both submitters (*i.e.*, underwriters) and consumers of the filed documents (*i.e.*, investors), there is a strong natural preference for a centralized web site to serve the needs of both constituencies. Also, there are compelling technical reasons to favor a centralized web site as opposed to multiple web sites connected by links. For example, one of the most common problems on the internet centers on broken hyperlinks; if a link is broken, the content at the end of that link will not be available. Another problem has to do with the online availability of remote web sites, and whether they will remain reliably online. Lastly, another problem you would have to address with multiple web sites is version control for the final official statements. Since stickers and other amendments to official statements are not uncommon, there should be concern about the consistency of how amendments and stickers are made available to consumers. This is most easily managed and enforced on a centralized web site. The MSRB, however, must weigh other important factors offered by issuers and their financial advisors before making a decision on this point.

DPC's experience as a vendor of final official statements to the market also makes us aware of the benefits associated with engaging a commercial enterprise to develop and manage a centralized web site as opposed to the MSRB undertaking these roles. It is necessary for the party who ultimately manages the centralized web site to be attuned to changes in technology, evolving user preferences, and to be experienced in serving the needs of a diverse market under regulatory oversight. All of the NRMSIRs would qualify in this regard, but DPC is especially qualified based on our experience as the owner and operator of the only NRMSIR that serves the general public via the internet

and as the owner of the first centralized web site for facilitating official municipal disclosure filings.[1]

With regard to the appropriate timeframe for making final official statements available to the market for free, we strongly recommend that the MSRB adopt a period of twenty-five days following the bond closing. As our experience in operating the largest online municipal disclosure archive has shown, it is important to sustain the ability of vendors to charge for archive access so that funds will always be available to maintain, enhance, and upgrade both the content and means by which documents can be accessed by the public. We believe that the sharpness brought about by a competitive market place generally produces a better mix of products and services than may be produced by a regulatory body. Making final official statements available for free for a reasonable, but limited, period immediately following the bond closing is sensible, and we do not believe that it would impair the commercial interests of vendors such as DPC that serve the diverse interests of issuers, dealers, investors and others. Making final official statements available for free permanently would impair the commercial interests of vendors. In the absence of services produced by vendors in a competitive market environment, it is unlikely that issuers, the investing community and the general public will realize the full potential of the service the MSRB contemplates with this initiative.

The MSRB seeks comment on whether the "access equals delivery" model should be available on all new issues or whether certain classes of new issues should continue to be subject to a physical delivery requirement. For example, the SEC did not make the "access equals delivery" model available for mutual fund sales. Should this model be made available in connection with the sale of municipal fund securities, including interests in 529 college savings plans?[10] Should issues exempt from Exchange Act Rule 15c2-12 be treated differently from those that are subject to that rule? What responsibility should dealers have to confirm that an issue qualifies for the "access equals delivery" standard? Should dealers be able to assume that an electronic official statement is available for a qualifying issue without inquiry, or should there be a duty to inquire (e.g., check the central website or index)? MSRB Rule G-32 currently requires dealers to deliver official statements to customers by trade settlement, whereas Securities Act Rule 173 merely requires that notice of a registered offering must be provide to the customer within two business days of trade settlement. Would it be appropriate to set a two-day post-settlement deadline for delivering notices to customers that matches the SEC's notice requirement for registered offerings?

From the DPC NRMSIR's position as a neutral party in the market, we would favor an "access equals delivery" rule for municipal securities that would (a) reflect and promote

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[1] www.DisseminationPartners.com was the first web site dedicated to the automated filing and tracking of secondary market disclosures for municipal issuers, obligated parties, and their fiduciaries and agents. This site allows registered users to make official disclosure filings pursuant to SEC Rule 15c2-12 to all NRMSIRs and SIDs essentially on a simultaneous distribution basis. The site also provides a full audit trail. It has been in operation since 2002.

transparency the way SEC regulations do and (b) make best use of information technology available to all market participants.

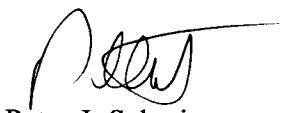
Likewise, we believe that the interests of the market as a whole would be better served if there were no exemptions under SEC Rule 15c2-12 for publicly issued securities. Removing the exemptions from SEC Rule 15c2-12 and from any MSRB Rule pertaining to final official statement delivery would facilitate dealer compliance and favor transparency. It would be sensible for the MSRB to devise rules supporting "access equals delivery" in the same way the SEC has evolved its rules for the securities markets over which it has direct regulatory authority. The SEC appears to have fully embraced all that current information technology can offer to simplify compliance, reduce costs for all securities market participants, and improve transparency. This should be viewed as the MSRB's best model for the municipal securities market. We understand that the SEC has accomplished virtually all of these information technology-based improvements in the securities markets they regulate by working through one or more commercial vendors.

Under Rule G-36, the MSRB is seeking comment on whether a single ultimate deadline for all issues, requiring that official statements be submitted to the MSRB by no later than the bond closing, is appropriate. In particular, is there any legitimate basis for an official statement not to be available to the underwriter by the bond closing date? If so, would it be appropriate for the MSRB to provide an alternative for those offerings where an official statement may not be available in time, such as to require the submission of a preliminary official statement (if one exists) by settlement pending the availability from the issuer and the submission to the MSRB of the final official statement? Does the current requirement under Rule G-36 that official statements for offerings subject to Exchange Act Rule 15c2-12 must be submitted to the MSRB no later than 10 business days after the bond sale influence the timing of issuer deliveries of official statements to the underwriters?[11] If so, would changing the deadline to the bond closing date have an impact on the timing of such deliveries? Finally, where a dealer financial advisor prepares the official statement, should such financial advisor be required to submit the official statement directly to the MSRB on behalf of the underwriter?

DPC has no comment to offer on these specific points.

I wish to express my thanks to the MSRB for this opportunity to share our views pertaining to this important initiative.

Yours truly,



Peter J. Schmitt

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Edward Jones®

September 13, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2006-19, Comment on Application of "Access Equals Delivery" Standard to Official Statement Dissemination For New Issue Municipal Securities

Dear Mr. Lanza:

Edward D. Jones & Co., LP ("Edward Jones," or "the Firm") hereby submits its comment on the above-referenced MSRB Notice, which, in the main, proposes a framework for expanding the Securities and Exchange Commission's "access equals delivery" to the municipal bond market. The Firm appreciates this opportunity to weigh in on an MSRB proposal at this early point of its formation.

As background, Edward Jones is a full-service broker-dealer operating in all 50 States. The Firm is a member of NASD, the New York Stock Exchange and the Chicago Stock Exchange. The Firm services over 6 million customer accounts and estimates that it delivers the official statements on several thousand municipal bond offerings each year.

Edward Jones supports expansion of the S.E.C.'s "access equals delivery" model to the municipal bond market. Customers and syndicate participants alike would benefit from required disclosures being made accessible via a free, electronic storage site. To that end, the Firm believes that the required electronic format should meet or exceed the parameters for "PDF" (so that the OS could be forwarded as an e-mail attachment). Additionally, the Firm believes that any modification to Rule G-32 to conform MSRB Rules to the customer notice provision of S.E.C. Rule 173 should permit confirmation disclosure as a means of satisfying both the timing and notice requirements.

In sum, the Firm expresses its unqualified support for MSRB's proposed adoption of the S.E.C. "access equals delivery" model. Edward Jones thanks the MSRB for its consideration of this Comment. If the MSRB requires additional information, please contact the undersigned at (314) 515- 3140

Sincerely,

Robert Beck
Principal
Municipal Bonds

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Investment Bankers Since 1946

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September 15, 2006

Mr. Ernesto A. Lanza
Sr. Associate General Counsel
Municipal Securities Rule Making Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19(July 27, 2006) MSRB seeks comments on application of "Access Equals Delivery: standard to official statement dissemination for new issue municipal securities.

Dear Mr. Lanza:

First Southwest Company thanks the MSRB for the opportunity to respond to the MSRB's request for comment regarding the implementation of an electronic system for primary market disclosure of municipal securities. We support the Boards' efforts to implement a model for "Access Equals Delivery" in the municipal securities market. As a first move toward this goal, we agree that it will be necessary to require electronic versions of Official Statements as an industry standard. We also agree that these electronic versions should be made easily and freely available to the investing public.

The MSRB has stated that approximately fifty percent of all current G-36 submissions are in electronic format. However, it has been our experience that electronic versions of official statements have been readily available in the marketplace for some time now with the exception of some of the smallest issuers. It has also been our experience that there is not a problem receiving these electronic documents within ten days of the award date. Therefore we do not see the need to extend or change the date that the official statements would be due to the MSRB along with the G-36 form as prescribed in Rule G-36.

With regard to whether the "Access Equals Delivery" model would best be represented through a centralized website or a decentralized system, we support the concept of a centralized website either hosted by the MSRB or some other appropriate host. The amount of expense that is incurred by each Broker Dealer for fulfillment of G-32 varies, but the cost is substantial for both the Broker Dealer as well as the Issuer who bears the burden of providing the physical copies to Underwriters. These savings could be passed on to issuers.

Finally, we do not see that it is necessary to extend the new issue disclosure period beyond the current period of 25 days after the bond closing. For primary issues that come to market in a "when and if issued" mode, most issues are well distributed within 25 days of the settlement date. For the trades occurring after that time, the availability and widespread adoption of electronic documents on demand seems to be sufficient.

Sincerely yours,

Richard A. DeLong
Senior Vice President
Municipal Trading and Underwriting

Griffin, Kubik, Stephens
& Thompson, Inc.

300 Sears Tower / 233 South Wacker Dr. / Chicago, IL 60606 / 312•441•2500

September 14, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2006-19: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

We strongly urge that the MSRB move as quickly as possible to implement an "access equals delivery" program for the dissemination of official statements.

We have analyzed the MSRB Notice in depth and have actively participated in the formulation of The Bond Market Association's comment letter with respect thereto ("TBMA Letter").

We wholeheartedly support the conclusions set forth in the TBMA Letter with one exception. With regard to Section B of the letter, we would not include item 2 (limited offerings) as an exception. If limited offerings were excepted, we would suggest that an underwriter have the ability to use any "access equals delivery" program voluntarily.

Thank you for the opportunity to comment.

Very truly yours,
Griffin, Kubik, Stephens & Thompson, Inc.

Robert J. Stracks
Counsel

RJS/mlg

cc: Mary Lee Corrigan, Griffin, Kubik, Stephens & Thompson, Inc.
Janis C. Brennan, Griffin, Kubik, Stephens & Thompson, Inc.
Leslie M. Norwood, The Bond Market Association

INVESTMENT COMPANY INSTITUTE

1401 H Street, NW, Washington, DC 20005-2148, USA
202/326-5800 www.ici.org

Elizabeth Krentzman
GENERAL COUNSEL

202/326-5815 FAX: 202/326-5812
ekrentzman@ici.org

September 14, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2006-19, Request for Comment on Application Of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Investment Company Institute[1] is pleased to support, as a general matter, the Municipal Securities Rulemaking Board's proposal to implement an electronic system of primary market disclosure in the municipal securities market (the "Release").[2]

The Institute commends the MSRB for its initiative to promote significantly more effective and efficient delivery of material information on municipal securities to new issue customers and the marketplace in general. Investment companies collectively hold about 32 percent of all U.S. municipal securities, totaling over $722 billion, and thus have a vital interest in ensuring timely and efficient access to official statements of municipal securities issuers.[3] The Internet-based centralized filing system for continuing disclosure filings on municipal securities developed by the Muni Council and the Municipal Advisory Council of Texas ("Texas MAC") has substantially improved disclosure in the secondary market,[4] and the current proposal is a logical and important next step. Our specific comments are provided below.

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[1] The Investment Company Institute is the national association of the U.S. investment company industry. More information about the Institute is available at the end of this letter.

[2] *See* Request for Comment on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities, MSRB Notice 2006-19 (July 27, 2006).

[3] *See* Investment Company Fact Book, 46th Edition, www.icifactbook.org, at 10.

[4] *See* Letter from W. David Holland, Chairman, Texas MAC, and John M. McNally, Hawkins Delafield & Wood LLP, to from Martha Mahan Haines, Chief, Office of Municipal Securities, Securities and Exchange Commission, dated Sept. 1, 2004 (describing the system).

I. "Access Equals Delivery" Proposal: Centralized Access to Electronic Official Statements

The Institute strongly supports the MSRB's proposal to adopt an "access equals delivery" standard for the official statements that are delivered in the primary municipal securities market. This model will allow issuers to capture, process, and disseminate disclosure information to investors in a cost-efficient manner. Moreover, the Internet provides a unique tool for improving the quality of disclosure while meeting a variety of needs and preferences for different levels of information. For these reasons, the Institute has supported the use of the Internet to meet a variety of disclosure obligations, including disclosures regarding securities registrations and offerings,[5] proxy materials,[6] and detailed information about mutual funds.[7]

The Release requests comment on whether a centralized website for official statements is preferable to a decentralized system. The Institute believes that investors would be best served if official statements were made available at a centralized Internet website. We agree with the MSRB that its alternative proposal, a central directory of official statements that directs investors to other sites where the official statements are hosted, provides fewer assurances that electronic access will be maintained in a uniform manner. A centralized source will not only ensure more consistency, but will also be preferable for investors who wish to review the official statements for several municipal securities. The Institute encourages the MSRB to select a single provider for the centralized website, and to coordinate with all interested parties to develop a system that is as efficient and useful as the one currently operated by Texas MAC for secondary market disclosures.

The Institute further recommends that, in either case, the new electronic system should electronically submit official statements to nationally recognized municipal securities information repositories ("NRMSIRs"), as the Texas MAC system currently does with secondary market disclosures. This will allow investors in municipal securities to access comprehensive disclosure information for an issuer at a single source.

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[5] *See* Letter from Amy B.R. Lancellotta, Senior Counsel, Investment Company Institute, to Jonathan G. Katz, Secretary, Securities and Exchange Commission, dated Jan. 31, 2005 (supporting proposed modifications to registration, communications and offering processes under the Securities Act of 1933, and urging the Commission to use the proposal as a starting point for considering reforms for mutual fund disclosure).

[6] *See* Letter from Elizabeth R. Krentzman, General Counsel, Investment Company Institute, to Nancy M. Morris, Secretary, Securities and Exchange Commission, dated Feb. 13, 2006 (supporting the Commission's proposal to permit issuers to make greater use of the Internet to furnish proxy materials to shareholders).

[7] *See* Statement of the Investment Company Institute, Submitted for the Securities and Exchange Commission's Interactive Data Roundtable (June 9, 2006) (setting forth the Institute's recommendations for a new approach to mutual fund disclosure based on greater reliance on the Internet, including providing a concise disclosure document to shareholders, and making the full prospectus and statement of additional information available on the Internet and in paper upon request).

II. Exclusion of Certain Securities

The Release requests comment on whether the "access equals delivery" model should be made available in connection with the sale of municipal fund securities, including interests in 529 plans. The Institute strongly supports increased reliance on electronic disclosure for mutual funds, as well as 529 plans and other municipal fund securities. SEC Chairman Christopher Cox has made clear his commitment to reviewing mutual fund disclosure rules and exploring "how technology can help [the SEC] to advance the goal of better information for mutual fund investors." The Institute is working closely with the SEC to achieve this important goal.[8] We therefore recommend that the MSRB consider the SEC's ongoing initiative as it proceeds with this rulemaking.

* * *

The Institute appreciates the opportunity to comment on this important proposal. If you have any questions or need additional information, please do not hesitate to contact me at 202/326-5815.

Sincerely,

Elizabeth Krentzman

Elizabeth R. Krentzman
General Counsel

cc: Andrew J. Donohue, Director
Susan Nash, Associate Director
Division of Investment Management
U.S. Securities and Exchange Commission

[8] "Commission's June 12 Interactive Data Roundtable to Include Panels on Improving Mutual Fund Disclosures," SEC Press Release (May 8, 2006), available at http://www.sec.gov/news/press/2006/2006-66.htm.

About the Investment Company Institute

ICI members include 8,791 open-end investment companies (mutual funds), 652 closed-end investment companies, 195 exchange-traded funds, and 5 sponsors of unit investment trusts. Mutual fund members of the ICI have total assets of approximately $9.273 trillion (representing 98 percent of all assets of US mutual funds); these funds serve approximately 89.5 million shareholders in more than 52.6 million households

J.J.B. HILLIARD, W.L. LYONS, INC.
Member New York Stock Exchange, Inc.

502-588-8400

Hilliard Lyons Center
P.O. Box 32760
Louisville, KY 40232-2760
Established 1854

August 4, 2006

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: Comments on MSRB 2006-19

Dear Mr. Lanza:

This letter is in response to the Board's request for comments on the application of "Access Equals Delivery" standard for final official statements on new issues of municipal bonds.

I support this proposal. Profit margins on new municipal bond issues have shrunk to very low levels and the cost of printing and delivering official statements has become exorbitant.

Rule change discussions proposed by the board concerning underwritings tend to focus on the negotiated sector as that is where the large volume deals tend to be originated. However, for many smaller or regional dealers, the majority of business is done in the competitive arena. My comments center on competitive sales as that is where our business is generated. Also, any changes to existing Rules should be minimized so as to cause little need for systems or procedural changes.

The Board should require all official statements to be filed electronically. Dealers and financial advisors should have the technology to produce documents electronically. You inquired as to the best format for submission of electronic documents. The end user should be considered in answering this and the majority of investors would have Adobe Reader on their PCs. Dealers should, accordingly, submit documents in portable document format or .pdf.

A centralized access point is the best way to provide availability for bond investors. The MSRB is the logical home for this site as underwriters are already filing official statements with the Board. A user friendly site could be accessed by investors who would normally have difficulty reading or downloading an official statement through one of the NRMSIR's sites.

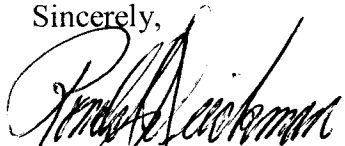
Adequate lead time to alert investors as to the sunset date for mailing hard copy official statements must be provided. Also, it is incorrect to assume that all investors have internet access and a provision for providing a hard copy of the final official statement should be included should an investor request a hard copy.

Independent financial advisors (FAs) and bond attorneys can both be impediments to the success of this initiative. As unregulated entities both attorneys and FAs have little incentive to provide documents in a timely manner so that the final official statement can be filed in accordance with the rules. A solution would be to petition the SEC to bring them under the regulatory control of the Commission or the MSRB. Broker dealers who prepare bond documents on deals for which the dealer provides the services of the financial advisor rarely have problems reaching the filing deadlines. Being subject to the Rules but having no control over FAs or bond counsel who at times are not motivated to provide documents on time puts the broker dealer in a difficult situation.

Finally, I must disagree with the comment in your Notice that "the 'access equals delivery' model.....should ultimately result in reduced transaction costs for new issue customers....and reduce costs to issuers." While this may be true on some negotiated issues, lead underwriters have for some time been encouraging underwriters and selling group members to receive a POS and Final OS in electronic format. The dealer then reproduces hard copies in house at its own expense, even though hard copies are provided in limited quantities. Competitive underwritings generally place the entire weight of OS printing on the members of the account. Expenses accounted for in the bidding process cover expenses other than OS production.

I appreciate the opportunity to provide my input and comments to the Board on this proposal.

Sincerely,



Ronald J. Dieckman
Senior Vice President
Director of Public Finance/Municipals

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Members New York Stock Exchange, Inc.

Jerry L. Chapman
Managing Director
Municipal Product Manager

August 31, 2006

Ernesto A. Lanza, Esquire
MSRB
1900 Duke Street
Alexandria, Virginia 22314

RE: Comment on MSRB 2006-19 "Access Equals Delivery"

Dear Mr. Lanza,

I highly recommend that the MSRB rewrite G-36 to emulate the SEC's "Access Equals Delivery". I think MSRB rules should be as uniform to other security regulations as possible. An "Access Equals Delivery" would most assuredly increase efficiency and timely availability of municipal final official statements. These efficiencies would assist in marketing and reduce transaction costs which would lower issuance costs. Equal free access to information is effective access.

I think the most efficient manner of applying this standard would be through the existing MSRB's MSIL. The industry has already paid to establish this library and the additional expense can be covered at the MSRB's discretion. I would like to see free access to the final OS as long as the bonds are outstanding. The other alternative of a "centralized internet website", similar I suppose to the MAC Texas' post office, would be acceptable if access and data input requirements are uniformly applied to all vendors. Long term free access however may be problematic. Please do standardize data input as portable document format (pdf) files.

Inter-dealer transactions to include syndicate members and selling group members should be required to accept "Access Equals Delivery". I would hope that all financial advisors would accept electronic dissemination but I have always had a problem with the MSRB rules applying to one group (dealer advisors) when another group performing the same function remains unregulated. This same thought process would apply to financial advisors electronically filing on behalf of underwriters because MSRB rules don't apply to all the financial advisors.

I do not believe there is any legitimate basis for an official statement not to be available to the underwriter by the bond closing date as the underwriter always is blamed and left to explain to regulators and perhaps be subject to fine. On rewriting G-36 the MSRB should give us all the dates of compliance (striving for uniformity). Since our dates are currently accepted by industry participants and generally of a shorter time frame that the SEC's dates, we should have few problems.

Sincerely,

Jerry L. Chapman

September 14, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia. 22314

RE: MSRB Request for Comment on: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Municipal Advisory Council of Texas ("Texas MAC") appreciates this opportunity to comment on the feasibility of a central repository in connection with proposals of the MSRB, Notice 2006-19, issued on July 27, 2006 ("Notice"). Texas MAC is a 501(c)(6) not-for-profit, tax exempt organization governed by a ten-member Board of Trustees. Our membership[i] is comprised of 71 national and regional broker-dealer firms. In 1995, we were the first in the country to be designated as a State Information Depository pursuant to SEC Rule 15c2-12. In 2003, Texas MAC was selected by Muni Council[ii] to develop and operate the Central Post Office ("CPO"), a website known as DisclosureUSA.org that enables issuers to meet the filing requirements of SEC Rule 15c2-12 by means of a single filing location. In 2004, the SEC issued an Interpretive Letter authorizing the use of DisclosureUSA by issuers of municipal securities and others who make secondary market disclosure filings.

Access Equals Delivery and EDGAR

The Notice discusses possible application of the "access equals delivery" standard for the delivery obligations under MSRB Rules G-32 and G-36, which would be modeled on SEC reforms of prospectus delivery obligations for registered offerings. The SEC's criteria for an "access equals delivery" standard are that the information be "readily available" and free of charge to investors. The SEC's own system, EDGAR meets these requirements, and EDGAR provides a useful guide for considering the adequacy of a repository for the municipal securities market. Several aspects of the EDGAR system are worth noting:

- The SEC has a management contract with Northrop Grumman for information technology services in connection with document imaging.
- EDGAR combines access to both primary market and secondary market information.
- EDGAR provides archives for investor access to dated materials.
- While EDGAR filings are accessible free of charge, the SEC permits Northrop Grumman to provide subscribers a dissemination service, for a fee, to facilitate automatic real-time transmission of all public filings received by EDGAR, and related services.
- The SEC charges a fee to persons making filings.
- Only documents submitted to the EDGAR system in either plain text or HTML are official filings. PDF documents are unofficial copies of filings. Filers may not use the unofficial PDF copies instead of plain text or HTML documents to meet filing requirements.

Centralized Access to Electronic Official Statements

The Notice requests comment on alternative means for centralized access to electronic official statements and mentions the option of either a central directory of official statements that would direct the investor to another site to access the document or a centralized internet website where official statements are directly available.

We do not believe the "central directory" option, with the actual hosting of the electronic official statement occurring by multiple parties, meets the "readily available" standard for the following reasons:

- The investor would first be required to search the central directory for the correct official statement, then access the website where the official statement is located, and conduct a second search on that site where the official statement may or may not be easily found.

- Monitoring multiple websites is time consuming and confusing for the investor.

- The decentralized sites will vary considerably in their search characteristics and may not be user friendly.

We agree with the MSRB that the "centralized internet website" option is the best alternative for the following reasons:

- It is easier for the investor to go to one site.

- The investor will only need to be familiar with one search mechanism.

- It is easier for regulators to monitor one site to verify the availability of official statements than to monitor multiple sites.

- Since the SEC's EDGAR meets the "access equals delivery" standard, it is wise to follow its centralized website model.

CPO as Option to Host Centralized Internet Website

We believe the Texas MAC, which created and operates the CPO as the single filing location for secondary market disclosure documents filed pursuant to SEC Rule 15c2-12, is a better alternative to host the centralized internet website for primary market filings than the MSRB for the following reasons:

- The CPO website was created for uploading documents, including official statements, and attaching indexing information for easy search and retrieval. It is the appropriate platform and is already operational. The MSRB does not need to incur the costs of creating and developing a redundant platform.

- The CPO website has a proven track record evidenced by over 85,000 documents filed and processed in its first two years of operation and is operational 24/7/365 with a uptime history of 99.99%

- The CPO website could become the single location for investors to access primary market documents and secondary market filings comparable to EDGAR.

- The CPO website is in a position to make relatively simple modifications to make the official statements and other documents required to be filed under Rule G-36 readily available to investors free of charge.

- The CPO website has a filing index searchable by CUSIP Number, Issuer Name, Issuer State and Filing Number. Additional search criteria such as Underwriter can be easily added.

- The CPO website has the capacity to receive and post amended official statements and link the amendments to the applicable official statement.

- The CPO website has archiving capabilities.

- The CPO website provides filers with electronic return receipts as evidence that their filing was received.

- The CPO website currently has straight through processing with the four NRMSIRs and three SIDs and can easily be adapted to include other locations required to receive the official statements such as the MSRB.

The CPO would also have the capacity to archive official statements and other disclosure documents filed at the CPO. Texas MAC believes a central repository should provide access to official statements beyond the new issue disclosure period of 25 days after closing, as required by Rule G-32, because official statements retain their importance throughout the life of the bonds. There are important aspects of official statements that should be capable of being accessed long after the fiscal year of the financial statements. Redemption provisions, document summaries and many other features of disclosure in public finance retain their materiality until final maturity. Advance refunding documents filed pursuant to Rule G-36 are also material until refunded bonds are paid. We note that EDGAR has archives.

The MSRB requests comment on whether submission to the central repository should be made solely as portable document format (PDF) files. PDF is the industry standard and we believe it is the best format currently available. The system should be able to adapt to new document formats that replace PDF as the industry standard.

The MSRB requests comment on whether dealers should be able to assume that an electronic official statement is available for a qualifying issue without inquiry. We do not believe further dealer inquiry is necessary because the CPO sends return receipts to its filers. These receipts would serve as documentation for the dealer and proof that the dealer met its obligation to file.

Regulatory Oversight and Fees

The administration of EDGAR by Northrop Grumman is pursuant to a contract between the SEC and Northrop Grumman. Oversight of the CPO in order to assure the requirements of Rule G-32 and Rule G-36 are met and for purposes of assuring market efficiencies (such as straight through processing) can be achieved by a contract between the MSRB and Texas MAC.

The contract would presumably describe the means of financing the expenses to adapt and operate an "access equals delivery" platform. Possibilities could include:

- The MSRB pays the Texas MAC from the savings realized by not having to scan official statements filed under Rule G-36.
- Filing fees paid to Texas MAC from the savings realized by dealers not having to deliver paper official statements and from issuers not having to incur printing costs.
- A subscription fee paid by vendors for real-time transmission of official statements.

We appreciate your consideration of our views regarding the implementation of an electronic system of primary market disclosure in the municipal securities market.

Sincerely,

Gary P. Machak
Chairman MAC Board of Trustees

[i] **Texas MAC Membership Roster**

A.G. Edwards
M. E. Allison & Co., Inc.
AmSouth Investment Services, Inc.
Apex Pryor Securities/Rice Financial Products
The Baker Group
Banc of America Securities LLC
Bear Stearns & Company
Bernardi Securities, Inc.
BOSC, Inc.
Cabrera Capital Markets, Inc.
Calton & Associates
Capital West Securities
Caprock Securities, Inc.
Carty & Co., Inc.
Citigroup Corporate and Investment Banking
Coastal Securities
Comerica Securities
Consolidated Financial Resources, Inc.
Crews & Associates, Inc.
Duncan-Williams, Inc.
Edward Jones & Company
Estrada Hinojosa & Co., Inc.
First Albany Capital Inc.
First Southwest Company
Frost National Bank
FTN Financial
George K. Baum & Company
The GMS Group, Inc.
Goldman Sachs
Government Capital
Harris N.A.
H & R Block Financial Advisors Inc.
Hutchinson Shockey Erley & Co.
Jackson Securities
JPMorgan Chase Bank
Kinsell, Newcomb & De Dios, Inc.
LaSalle Financial Services, Inc.
Lehman Brothers
Loop Capital Markets LLC
Louis Pauls & Company
Merrill Lynch
Miller Johnson Steichen Kinnard Inc.
Morgan Keegan & Co., Inc.
Morgan Stanley
The Northern Trust Securities, Inc.
Oppenheimer & Co. Inc.
Performance Trust Capital Partners
The PFM Group
Piper Jaffray & Co.
Popular Securities, Inc.
Ramirez & Co. Inc.
Raymond James & Associates, Inc.
RBC Capital Markets
SAMCO Capital Markets
SBK-Brooks Investment Corp.
Siebert Brandford Shank & Co.
Southwest Securities
Southwestern Capital Markets Inc.
Stephens, Inc.
Stifel Nicolaus & Company, Inc.
Stoever Glass & Company
SunTrust Capital Markets
TIB-The Independent Bankers Bank
UBS Securities LLC
Vining Sparks
Wachovia Securities LLC
Walton Johnson & Company
Weller, Anderson & Co., Ltd.
Wells Fargo Public Finance
Wells Nelson & Associates, LLC
Zions First National Bank

[ii] **The Muni Council is an informal group of 18 organizations representing all aspects of the municipal bond industry. The organizations comprising the Muni Council are as follows:**

American Bankers Association
American Bar Association – Section of State and Local Government Law
American Institute for Certified Public Accountants

CFA Institute (formerly the Association for Investment Management and Research
Council of Infrastructure Financing Authorities
Government Finance Officers Association
Healthcare Financial Management Association
Investment Counsel Association of America
Investment Company Institute
National Association of Bond Lawyers
National Association of Independent Public Finance Advisors
National Association of State Auditors, Comptrollers and Treasurers
National Council of Health Facilities Finance Authorities
National Association of State Treasurers
National Council of State Housing Agencies
National Federation of Municipal Analysts
Regional Municipal Operations Association
The Bond Market Association

National Association
of Bond Lawyers

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601 Thirteenth Street, N.W.
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Washington, D.C. 20005

September 14, 2006

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 (July 27, 2006)

MSRB Seeks Comments on Application of "Access Equals Delivery" Standard to Official Statement Dissemination For New Issue Municipal Securities

Dear Mr. Lanza:

The National Association of Bond Lawyers ("NABL") respectfully submits the enclosed response to the Municipal Securities Rulemaking Board ("MSRB") solicitation for comments on MSRB Notice 2006-19, dated July 27, 2006 (the "Notice"), regarding the application of an "access equals delivery" standard to official statement dissemination for new issue municipal securities. The comments were prepared by an *ad hoc* subcommittee of the NABL Securities Law and Disclosure Committee.

In the Notice, the MSRB describes a potential framework for implementation of an electronic system of primary market disclosure in the municipal securities market. NABL welcomes this initiative and looks forward to working with all industry participants in developing this approach.

NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance. A professional association incorporated in 1979, NABL has approximately 3,000 members and is headquartered in Chicago.

If you have any questions concerning the comments, please feel free to contact me at 617/239-0389 (wstonge@eapdlaw.com), or Kenneth R. Artin at 407/398-7781 (kartin@bmolaw.com), or Elizabeth Wagner, Director, Governmental Affairs at 202/682-1498 (ewagner@nabl.org) .

Thank you in advance for your consideration of these comments with respect to this important development in the municipal securities industry.

Sincerely,

Walter J. St. Onge III

Enclosure

cc: Kenneth R. Artin
Jonathan C. Leatherberry
John M. McNally
J. Douglas Rollow

National Association *of* Bond Lawyers

COMMENTS
OF THE
NATIONAL ASSOCIATION OF BOND LAWYERS
REGARDING
MSRB NOTICE 2006-19
APPLICATION OF "ACCESS EQUALS DELIVERY" STANDARD TO OFFICIAL STATEMENT DISSEMINATION FOR NEW ISSUE MUNICIPAL SECURITIES

The following comments are submitted on behalf of the National Association of Bond Lawyers ("NABL"). The comments relate to the MSRB Notice 2006-19 -- Application of "Access Equals Delivery" Standard to Official Statement Dissemination of New Issue Municipal Securities, dated July 27, 2006 (the "Notice"). The comments were prepared by an *ad hoc* subcommittee of the NABL Securities Law and Disclosure Committee. The members of the *ad hoc* subcommittee (the "Subcommittee") are listed below.

NABL welcomes this MSRB initiative to develop an electronic system for dissemination of municipal securities disclosure documents. Moreover, NABL expects that the proposed changes will benefit all market participants by simplifying access to disclosure materials. An important consideration in the design of this new system will be how best to utilize current (and future) technology to establish a system that allows for efficient and low-cost access to documents. NABL has no particular insight into the most desirable technical features of any new system, but expects that other market participants will offer helpful proposals for consideration.

The Notice poses several questions. The Subcommittee has focused its comments on those particular questions or issues as to which it believes it has relevant expertise. The headings shown below correspond to those headings in the Notice.

Electronic Official Statements. The Notice requests comment on the current level of availability of electronic official statements from issuers. In the Subcommittee's experience, the use of electronic official statements is widespread and has become the current industry standard. In most cases, electronic preliminary and final official statements are prepared, and, in order to comply with existing MSRB rules, a printed final official statement is also prepared. Whether the preliminary official statement is also printed depends upon the nature of the marketing – those transactions with a retail component will generally have a printed preliminary official statement. Given the widespread use of electronic official statements, the Subcommittee believes that requiring delivery under MSRB Rule G-32 and all submissions under Rule G-36 be

undertaken in electronic format would impose no significant burdens on issuers or the underwriting community.

The use of portable document format ("pdf") files in the public finance industry is also very common. The software needed to open and read pdf files is readily available to market participants, including individual investors, is user-friendly, and is typically a free download from the Internet. Many public finance professionals use this format to protect the integrity of documents that are transmitted electronically. Consumers are also very familiar with the pdf format. Ease of use and familiarity by the investing public will speed the future growth of the use and acceptability of electronic official statements. Therefore, the Subcommittee recommends the use of pdf files. Accepting documents in other formats may introduce risks that can be avoided by limiting the format to a single recognized industry standard.

Centralized Access to Electronic Official Statements. The Notice requests comment on whether centralized or decentralized access would be preferable. The Subcommittee recommends a centralized system. The Securities and Exchange Commission ("SEC") EDGAR (Electronic Data Gathering, Analysis and Retrieval) System provides a central location to electronically obtain registration statements and prospectuses in the registered securities market. The Subcommittee believes that a similarly centralized system would increase availability of and access to municipal offering statements. The Subcommittee further expects that various market participants and other entities will offer possible solutions for a centralized system. All proposed solutions will need careful consideration to determine the optimal choice for the municipal securities market. With respect to the time period for which free centralized access should be provided, the Subcommittee recommends that access to the electronic official statements should not be limited. Computer memory is relatively inexpensive and there are current private vendors which have kept official statements posted on their websites since the original posting dates. One private vendor, in particular, has approximately 6,000 official statements posted, representing nearly every official statement posted by that vendor since 1999. In addition, the Subcommittee believes that once an official statement is posted, it should remain available while the related bonds are outstanding.

Potential MSRB Rule Changes to Implement the "Access Equals Delivery" Model. The Notice requests comments on whether the "access equals delivery" model should be applicable to all new issues or whether certain classes of new issues should continue to be subject to the physical delivery requirement. In general, the Subcommittee believes that the "access equals delivery" model should apply to all new issues; however, this model should not otherwise alter or modify the delivery requirements of SEC Rule 15c2-12. By adopting the "access equals delivery" model, the MSRB recognizes that the use of electronic media has become the prevailing method of communication in the financial marketplace. The proposed rule changes will allow

professionals to apply this method with respect to their delivery requirements to their customers, as well as their filing requirements with the MSRB.

Currently, MSRB Rule G-32 requires dealers to deliver official statements, if prepared by or on behalf of the issuer, to customers by trade settlement. Whether the official statement is available electronically should not modify such requirement. If the "access equals delivery" model is adopted, the Subcommittee recommends that the notice regarding the availability of the official statement also be sent by trade settlement. The principal benefit of adopting the "access equals delivery" model will be to simplify the delivery and filing requirements under both MSRB Rule G-32 and Rule G-36. Posting of an official statement and, the notice regarding the availability of the official statement should satisfy the requirements of both MSRB rules.

Members of the *Ad Hoc* Subcommittee regarding MSRB Notice 2006-19 -- Application of "Access Equals Delivery" Standard to Official Statement Dissemination For New Issue Municipal Securities:

Kenneth J. Artin
Jonathan C. Leatherberry
John M. McNally
J. Douglas Rollow
Walter J. St. Onge III

NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

Constituent Societies

Boston Municipal Analysts Forum

California Society of Municipal Analysts

Chicago Municipal Analysts Society

Minnesota Society of Municipal Analysts

Municipal Analysts Group of New York

Southern Municipal Finance Society

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September 15, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

RE: MSRB Notice 2006-19: Request for Comment on: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The National Federation of Municipal Analysts ("NFMA") is an association comprised of nearly 1,000 municipal credit analysts and portfolio managers across the country. NFMA is also a member of the Muni Council, an informal group of 18 organizations representing all market constituencies of the municipal bond industry.

NFMA appreciates this opportunity to comment on the feasibility of a central repository in connection with proposals of the Municipal Securities Rulemaking Board ("MSRB"), Notice 2006-19, issued on July 27, 2006 (the "Notice"). The Notice discusses possible application of the "access equals delivery" standard for the delivery obligations under MSRB Rules G-32 and G-36, which would be modeled on Securities and Exchange Commission ("SEC") reforms of prospectus delivery obligations for registered offerings.

The SEC's final rule on securities offering reform stated that the premise for allowing the "access equals delivery" standard for document dissemination is that investors are presumed to have access to the Internet. The primary criterion for allowing the new standard is that documents, which would otherwise be delivered by underwriters, are "readily available" on the SEC's Internet site, EDGAR.

We commend the MSRB's initiative in promoting a comparable "access equals delivery" standard for the dissemination of primary market offering materials for municipal securities. We believe the SEC's premise that investors have access to the Internet applies equally in the municipal securities market and the registered securities market.

We are also of the view that making primary market offering documents readily available, free of charge, to investors will improve the dissemination of information by making the document available to a wider audience than just purchasing customers of broker-dealers and that overall market efficiency will be promoted.

The development of electronic dissemination of municipal securities disclosure information in the past several years has vastly improved the quality of information flows to investors and the marketplace generally. We fully endorse continued promotion of electronic media by the MSRB.

The Notice refers to three possible sites that could provide access to the final official statements: (i) a central directory of final official statements indicating the location of the host site where the final official statement is actually located (e.g. websites maintained by the issuer, financial advisor, underwriter, a vendor etc.), (ii) a centralized Internet website created to be a single location for access to final official statements, or (iii) the MSRB itself.

In our opinion there should be a single central location for the final official statements, either a central Internet website or the MSRB. We do not believe a central directory satisfies the "readily available" criterion. An investor should not have to go to one site to find the site where the document is located and then be required to search the second site for the final official statement. The decentralized sites will vary considerably in their search characteristics and may or may not be friendly to the user.

The central location should permit the use of CUSIP numbers as an identifier for locating final official statements. In addition, to meet the "readily available" standard, an investor should be able to find the final official statement by entering the name of the issuer, the name of the obligor (if applicable), the title of the bonds, the state of issuance, the name of the underwriter or other identifiers that would be user friendly. As stated in the Notice, access to final official statements should be free of charge.

The central location should also have features important to the person filing the final official statement. These should include a "return receipt" and the ability for the filer to review the document for accuracy before the document is released to the public. If it is necessary to file an amendment ("sticker") or an addendum, there should be a means to tag the document indicating the final official statement to which it relates, preferably with a hyperlink to the original final official statement.

The central repository should provide access to final official statements beyond the new issue disclosure period of 25 days after the closing date. There should be an archive making final official statements available for the life of the bonds because final official statements retain their importance until final maturity. Redemption provisions, issuer covenants, additional bond tests, refunding options, document summaries, etc., retain their materiality beyond the fiscal year in which the bonds are being issued. The central repository should be more than a means for broker-dealers to meet their Rule G-32 delivery requirement by allowing investors continued access to important information during the secondary market period. We note that EDGAR has archives for primary market materials.

We look forward to ongoing opportunities to share our thoughts with the MSRB about the features that the central hosting site should offer, and may be in a position to offer our

views as to the best hosting site once the MSRB has set forth the criteria that the hosting site must meet.

Please do not hesitate to contact the undersigned at 212-339-3544 or via email at efriedland@fsa.com with any questions that you might have.

Very truly yours,

/s/Eric Friedland

Eric Friedland
Chairman
NFMA

RMOA

Regional Municipal Operations Association

September 27, 2006

Mr. Ernesto A. Lanza
Municipal Securities Rulemaking Board
1900 Duke Street
Alexandria, Virginia 22314

Dear Mr. Lanza,

The Regional Municipal Operations Association is a trade organization comprised of broker/dealers, industry utilities and regulators. We promote efficient, progressive and compliant procedures in the fixed income marketplace. We appreciate the opportunity to comment on the feasibility of a central repository that would provide an "access = delivery" standard for the distribution of Official Statements in the Municipal market.

Our membership feels that the current methods of distributing Official Statements is long on effort and expense short on effective results. Therefore the MSRB initiative to rethink the procedures of the past has our enthusiastic support.

We believe that all participants in the municipal market would be best served if Official Statements are housed at one centralized Internet web-site. This site would need to be an end destination and not a directory. This would simplify access and insure the multiple search characteristics required by multiple vendors would not lessen the value of the initiative. Although alternate proposal should be reviewed with an open mind it would seem to us that the MSRB would be in the best position to provide a fair and compliant standard. Vendors that would offer their services would need to insure the Industry that they would accept oversight by established regulatory authorities and would be subject to penalties for non-performance.

We strongly believe that Official Statements be made accessible for move that the current 25 day after bond closing. The OS retains its value though the life of the bond. Information, such as put/call features, sinking fund schedules, maturities, redemption provision etc. , should be made easily accessible to interested parties after the initial underwriting period. The OS should be made available to investors during the underwriting period free of charge. In order to recover costs, a fee for access by interested parties in the secondary market could be considered.

The natural evolution of technology and the existing MSRB requirements are improving the percentages of electronically available Official Statements. In addition The Depository Trust and Clearing Corporation regularly facilitates the "closing" and distribution of many municipal

underwritings and applies a "disincentive fee" to those who do not provide electronic copies of the OS. We must take advantage of this thought direction to take advantage of advancements that allow us to be more effective and cost efficient in our effort to keep investors informed.

We feel the Industry would be best served if there is only one format in use. This would insure that market participants and interested parties would not need multiple software applications to obtain desired documents. While the format should be prescribed, the method of submission should allow for email attachments as well as uploads or other cost efficient forms of transmission.

We feel that the submission of Rule G-36 filing and continuing disclosure documents should be included in this initiative and also retained for the life of the bond.

Our membership is aware of the probability that not all investors in the municipal marketplace have personal internet access, but we believe that access could be accomplished through the use of third parties such as libraries, internet cafes, friends and family. It is also logical to assume that a request by an investor for an Official Statement in physical form would be honored by his broker. Regulation requiring this would be excessive. We feel that it is important that all future rules, regulations and initiatives take into consideration the benefits of current and evolving technology.

Thank you for the opportunity to comment. On behalf of the membership of the Regional Municipal Operations Association, I remain

Very truly yours,

Thomas Sargant
President

Securities Industry Association
120 Broadway • New York, NY 10271-0080 • (212) 608-1500 • Fax (212) 968-0703
1425 K Street, NW • Washington, DC 20005-3500 • (202) 216-2000 • Fax (202) 216-2119
info@sia.com; http://www.sia.com

September 20, 2006

Ernesto A. Lanza, Esq.
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2006-19- Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Securities Industry Association ("SIA")[1] is pleased to respond to the MSRB's request for comment contained in MSRB Notice 2006-19 with respect to possible implementation of an "access equals delivery standard for new issue municipal securities.

We note that SIA strongly supported the SEC initiative which led to the adoption of an access equals delivery standard for equity offerings.[2] To our knowledge, this initiative is proving very beneficial for both issuers and investors. SIA also supports the extension of the access equals delivery standard to other types of securities. At the same time, we recognize that such securities may pose different structural and operational implementation challenges. Therefore, we urge that the MSRB carefully consider input received from other commentators regarding such challenges, particularly the comment

[1] The Securities Industry Association brings together the shared interests of approximately 600 securities firms to accomplish common goals. SIA's primary mission is to build and maintain public trust and confidence in the securities markets. SIA members (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs nearly 800,000 individuals, and its personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2004, the industry generated $236.7 billion in domestic revenue and an estimated $340 billion in global revenues. (More information about SIA is available at: www.sia.com.)

[2] SEC Release No. 33-8591, "Securities Offering Reform, FR Volume 70, No. 148 August 3, 2005/

letter filed by The Bond Market Association (TBMA)[3] with respect to MSRB Notice 2006-19.[4]

Additionally, SIA recommends that 529 Plan offering documents be excluded from any MSRB access equals delivery rulemaking at this time. This recommendation does not, in any way, reflect a lessening of SIA's resolve to encourage the broadest possible application of the access equals delivery standard. Rather, it reflects a recognition that the underlying investments of 529 plans are fundamentally different than other new issue municipal securities, and are, in fact, more mutual fund like in nature. In that regard, SIA expects that at some point the SEC may well consider extending the access equals delivery standard to mutual funds. If it makes such a proposal the SEC may choose to include 529 plans within its scope, or at least such a proposal might provide a good template for future MSRB initiatives regarding 529 plans. In either event, we believe that MSRB would benefit by deferring any action with respect to 529 plans until further information is available regarding how the SEC will approach the subject.

We hope you find SIA's comments helpful, and if you have any questions, please contact Liz Varley at (202) 216-2000 or Mike Udoff at (212) 618-0509.

Sincerely,

Elizabeth Varley
Vice-President and
Director of Retirement Policy

Michael D. Udoff
Vice-President
Associate General Counsel and
Secretary

cc: Leslie M. Norwood, Esq.
Vice-President and Assistant General Counsel – The Bond Market Association

[3] Letter from Leslie Norwood, Vice-President and Associate General, TBMA, to Ernesto A. Lanza, Senior Associate General Counsel, MSRB (September---, 2006).
[4] SIA and TBMA will merge on or about November 1, 2006 to form the Securities Industry and Financial Markets Association.

STANDARD
&POOR'S

CUSIP Service Bureau, 55 Water Street, 45th Floor, New York, NY 10041

September 15, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

RE: MSRB Notice 2006-19: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

Standard & Poor's CUSIP Service Bureau ("S&P CUSIP") would like to respond to the MSRB Notice 2006-19 (July 27, 2006) in which the MSRB requests comment on the application of the "access equals delivery" standard to official statement dissemination for new issue municipal securities.

First, whomever becomes the central repository for the "access equals delivery" model, it is imperative that S&P CUSIP be a recipient of the final electronic official statements and we request that S&P CUSIP be included as a recipient of electronic official statements in addition to DTCC and the MSRB.

S&P CUSIP plays an integral role in the underwriting process in originating CUSIP numbers, the security descriptive information and fundamental attribute data. While the MSRB currently requires that underwriters send the final official statement to S&P CUSIP, we don't always receive them. The final official statement enables the S&P CUSIP Data Quality Control Group to update final interest rates and maturity schedules and to verify data that was initially received in the preliminary official statement.

Second, S&P CUSIP would like to be considered for running the central repository. S&P CUSIP has long established relationships with underwriters and financial advisors who are the source of official statements for dissemination to the securities industry. S&P CUSIP currently collects paper and electronic official statements and has a department that follows up in obtaining them.

S&P CUSIP has made an investment in handling electronic final offering documents and is pursuing industry standards, such as XML, to tag and catalogue them.

S&P CUSIP can leverage its internal document collection capabilities and database to make electronic official statements available in a central repository for the municipal securities industry. The key is that the documents must be filed electronically and that the SEC and MSRB support this initiative. If there is an RFP for "Access Equals Delivery" project, we ask that it be sent to S&P CUSIP so that we can more fully understand the requirements.

As to our capabilities, S&P CUSIP is entering its fifth decade of supporting the origination and dissemination of CUSIP data in an efficient and timely manner. S&P CUSIP maintains an extensive, highly secure technology that already interfaces with underwriters, book-running companies, information vendors, DTCC and the MSRB. S&P CUSIP also deals in all issue types – equity, corporate debt, municipal debt, government debt as well as international securities and the scope and depth of this project can be expanded to other issue types.

S&P CUSIP does not see a problem with storing various documents for periods of time, nor do we see a problem in creating a central repository that the industry could access, purely by the nature of our business, and if need be, we could distribute final documents to others electronically.

We look forward to your response and, as always, S&P CUSIP is willing to work with the securities industry to improve straight through processing.

Sincerely,

Gerard Faulkner
Director – CUSIP Operations
Standard & Poor's

From the Desk of...

Daniel E. Stone

9-2-06

MR. E. A. LANZA
Senior Associate Gen Counsel
MSRB
1900 Duke St (Suite 600)
Alexandria, Va 22314

Re: MSRB Notice 2006-14 (dtd July 27, 2006)

Dear Sir:-

In relation to the above, I am an investor is Municipal Bonds and do NOT have a computer. I want to be able to have my Municipal Bond dealer send me a printed version of the Official Statement when I purchase a new issue - without having to inform him each time I make such a purchase.

I am in my late '70's - so he won't have to do it for too long!

1300 Lake Street
San Francisco, CA 94118-1034
Telephone (415) 751-7876

P.O. Box 590537
San Francisco, CA 94159-0537
Fax (415) 668-5529

RUTH D. BROD

7677 Greenbrier Drive
Rockford, MI 49341

(616) 874-2698
rdbrod1@aol.com

September 14, 2006

Ernesto A. Lanza
Senior Associate General Counsel
MSRB
1900 Duke Street Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 (July 27, 2006)

Dear Mr. Lanza:

I am responding to your request for comment regarding "access equals delivery". I have been involved in the municipal marketplace as a corporate portfolio manager, an issuer for a large urban school district, and a retail investor in municipal securities. As such, I am very interested in your attempts to streamline the process of disclosure for all concerned.

Attached are my comments as requested by the above mentioned MSRB notice.

If you have any questions regarding my comments, I would be happy to discuss them. You can reach me at the above phone number or email.

I appreciate the work that you are doing with regard to full and timely disclosure.

Sincerely,

Ruth D. Brod

Ruth D. Brod
Consultant
TRB Associates

Attachment

MSRB Review of 'Access Equals Delivery'

MSRB Notice 2006-19 (July 27, 2006)

As a financial professional with experience in corporate portfolio management, municipal bond issuance for a large urban school district, and municipal bond investor on a personal level, I have reviewed the MSRB Notice 2006-19 regarding information gathering and dissemination regarding municipal bonds.

I applaud the MSRB for seeking a uniform method of insuring delivery of information to new purchasers in a timely manner while at the same time, not increasing the burden on issuers. However, in the current proposal, it is unclear that any improvement would be made in what is most important: the availability of current information on all municipal bonds on an ongoing basis. Three areas that it does not support are:

- the ability to access all information including ongoing disclosure for the life of the bond for all investors,
- reduction of the cost of physical delivery to the issuer, and
- minimizing risk to investors of municipal bonds.

"Access equals Delivery"

As I understand it, a filing to the EDGAR system includes a standard formatted information block that can be uploaded into a data base system, from which it can be available to the public as is, or sorted, analyzed, reviewed and compiled with other filings as needed by the SEC or the investing public. The proposed change of requiring that the prospectus be delivered in PDF or similar form is appropriate for file retention, minimizing storage space, and printing or emailing if requested. Your proposal does not deal with the main goal of retrieval of information, and the ability to analyze and compare each municipal bond to others in the market place.

A cover sheet, designed to transfer primary information on each bond, including issuer, CUSIP numbers, security, maturity dates, ratings, callability, etc., is really what is needed to accomplish the goal of 'access' to the SEC and investing public.

Additionally, investors should have access to every disclosure filing by CUSIP number for the life of the bond. Bonds are bought and sold many times over before they mature. Each sale is supposed to be preceded by the investor reviewing the prospectus and understanding the associated risk. A link should be established for every bond by CUSIP number to give access to the Continuing Disclosure and Material Adverse Changes required to be filed with NRMSIRS and the MSRB to make current information available to each investor who holds or wishes to purchase the bond. This is especially important for corporate holders who must report their risk factors to a Board of Directors and stockholders, annually.

Cost of Printing/Posting

In preparing a preliminary official statement (POS) or official statement (OS), issuers and their lawyers and/or financial advisors collect information, describe the bond and projects funded, etc., insert insurance and rating information, include demographics, and much more. All of this is edited many times before an approved document goes to print. This information is submitted in parts to the printer who puts it all together into one document, formats it, and submits it in PDF form to the bond team for final review. The printer then works with the issuer to perfect the cover and document to properly reflect the image requested by the issuer. All of this is done without a page needing to be printed. Most copies are delivered via email to underwriters for marketing purposes.

For as little as $1000, an issuer can have a professional document and posting of the POS and OS for the life of the bond, with enough printed copies to satisfy all political requirements and issuer requests. The proposed creation of a posting website for only the period of the initial disclosure would consume valuable time and resources when credible sites already exist, such as MuniOS.com. It would be more effective to simply link the MSRB web site to the appropriate posting site for each OS. The MRSB could effectively monitor and/or restrict these posting sites, just as it does for the NRMSIRS. The task of creating the data base would be the most significant contribution that could be made by the MSRB to the municipal environment.

The suggestion to change requirements for underwriters to submit bond information simultaneously with the OS would seem to facilitate the marketing of bonds only if the information submitted is in the form of the 'cover letter' as suggested by this writer, one that could be uploaded immediately to a data base and available to investors.

Decreasing Investor Risk

As an investor in municipal bonds both from the corporate side and as an individual investor, I have been very frustrated with the lack of cooperation from dealer firms, including ones that are well known for their 'conservative' approach to investing. When approached with a new investment, I have been told the name of the bond, the ratings, interest rate and maturity, but never the security for the bonds. If a prospectus is requested, I have been told it would be sent to me in a week (but they want my decision on the investment within the hour). Having this information available immediately where it could be reviewed or printed and sent to the investor would be an excellent resource to the municipal investor, whether individual or corporate.

Over 50% of municipal bonds are sold to individual investors, the remainder to the sophisticated corporate or fund buyer. Any change that allows the dealer firms to sell municipal securities without first making sure the investor has read and understands the risks involved should be abandoned. Instead, increasing pressure should be put on dealers to provide current information.

Only by having all information in one place, including continuing disclosures and any material adverse change filings, will the dealer be able to comply fully with the rule of educating the investor and decreasing risk.

Summary

The goal of streamlining delivery and accessibility of municipal bond documentation is very important to the municipal marketplace. However, by focusing on changing the printing of the disclosure documents, you would change an efficient and effective system of posting the actual documents for the investing public.

Your goal can best be accomplished by developing a data base combined with a filing document (cover letter) with all pertinent information that can be uploaded, providing immediate and permanent files for review and analysis of each bond. Combined with links to approved posting sites for official statements, continuing disclosure and material adverse changes, this data base would serve to provide sufficient risk information on all municipal securities to the entire market.

Ruth D. Brod
Consultant
TRB Associates

UBS Investment Bank

UBS Securities LLC
1285 Avenue of the Americas
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www.ubs.com

September 15, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Ste 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 (July 27, 2006)
MSRB Seeks Comments on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

We are pleased to respond with our comments on applying an "access equals delivery" standard to official statement dissemination for new issue municipal securities pursuant to the request of the Municipal Securities Rulemaking Board (the "MSRB") by Notice 2006-19 issued on July 27, 2006 (the "Notice").

The "access equals delivery" model is premised on making electronic versions of official statements available to the public on a "real time" basis, generally in lieu of delivering paper copies.

Availability of electronic official statements. We agree with the observation of the MSRB in the Notice that all or nearly all official statements are now produced electronically. A small but significant number of issues, however, settle with paper copies only. If all official statements are required to be available electronically, those distributed only in paper versions would have to be scanned, unless the electronic file used for printing was made available. Use of electronic files, rather than scanning, would yield smaller, better quality files that would be more user-friendly.

Benefits of "access equals delivery" cited in the Notice include decreased burden and expense of dealer deliveries of official statements, and lower printing costs, resulting in reduced transaction costs. Further, customers could receive earlier delivery of official statements.

Different methods of implementing this concept could produce divergent cost shifting and risk allocation among the parties. For example, some costs would be shifted to dealers if dealers become responsible for scanning those official statements not available in electronic form.

The structure and provider chosen for the system could have a major effect not only on the usability and integrity of the repository, but also on its overall costs and the determination of who bears those costs. The electronic delivery system should produce overall costs savings *and* provide better service than the present physical delivery system. In this regard, we request more information on the allocation of fees and whether dealer costs may be passed through.

We would appreciate the opportunity to comment further on this approach when more detailed implementation proposals are being considered. The benefits to the market of this paradigm should outweigh the costs and burdens of obtaining electronic versions of official statements, but the process needs to be further developed to enable an informed projection.

Format for submission of official statements. Currently, submissions to the MSRB under Rule G-36 are required to be in portable document format (pdf). Comment is requested in the Notice about whether other formats should be accepted.

Any format used should be widely available and have an associated non-proprietary reader. Also, formats should provide reliable and faithful conversion from native word processor formats commonly in use for official statement creation. Pdf documents meet these specifications.

The addition of formats would presumably provide an option for dealers and not become a requirement to submit in multiple formats. Moreover, a selection of formats might be confusing and burdensome for customers.

An issue arises with scanned documents versus documents created by electronic conversion from a native word processor format. The scanned documents, being images, create significantly larger files, which can be difficult to manage. Some firms have limits on attachment size that would make e-mailing a scanned official statement difficult or worse. Although this can be addressed on the receiving (repository) end by creating a system that has a sufficiently large limit on attachments, an upload option, using an Internet-based file transfer (ftp) would assist dealers whose systems cannot handle such large attachments. Similarly, users, particularly smaller retail customers, may have difficulty handling large files. For these reasons, the industry and the MSRB should watch for any emergence of a widely utilized, non-proprietary, freely available format that would retain the desirable characteristics of pdf documents but create smaller scanned files.

Pdf documents appear to be the current standard, with a thorough market penetration. Unless and until industry standards change and another application with similar or improved characteristics appears, pdf uniformity is preferable.

Central repository or central index; duration of postings. We believe a central repository would promote ease of access and enhance the ability of the MSRB to supervise the provider, rather than having a central index that points to documents residing on other websites. A central repository should also be more reliable than an assortment of sites managed by multiple parties.

Further, the market would be best served by the continuing availability of official statements for at least as long as the issues are outstanding. Portions of official statements, such as sections describing the terms of an issue, remain very useful in the secondary market. An appropriate disclaimer should be provided that includes notice that the official statements speak as of their dates and that no party has an obligation to update them in the repository, except that during the underwriting period, any amendments or supplements to an official statement must be posted to the repository.

In addition, the repository should provide a flexible indexing system, perhaps by using extensible markup language (xml), so that searches of the database may be performed on any reported field (as provided on the successor to the G-36(OS) form), including, without limitation, issuer, dealer, CUSIP, senior manager and issue date.

The Notice describes anticipated changes relating to the G-36(OS) form. The revised form should be usable as the submittal form for official statements to the repository and the MSRB.

In selecting the administrator or operator of the repository, we strongly prefer that it be one organization. That is, there should be a single site for users to access disclosure information, whether primary or secondary, and dealers should be able to satisfy their filing requirements by making a single filing.

The MSRB is our leading choice to be the host of the repository. The MSRB has a history and experience managing information repositories, and presently receives G-36 filings. As we believe that there should be a single site to access disclosure materials, the current database would have to be transferred to another provider if the MSRB is not the host. Similarly, official statements and G-36(ARD) forms would also need to be moved if the MSRB is not the repository.

We understand that the central post office used for SEC Rule 15c2-12 secondary market disclosure filings (the "CPO") may be willing to accept the additional task of serving as the repository. This may be a viable approach, in that the secondary market disclosure is already being submitted there. In light of the usefulness of the repository in the secondary market as described above, adding the official statement repository and related forms to the functions of the CPO could also provide a single source for primary and secondary market information.

Similarly, dealers should be able to effect their filing requirements in one stop, whether by filing with the MSRB or with the repository. Once a dealer submits a filing in conformity with relevant rules and procedures, the dealer's responsibilities relating to submission of an official statement to the MSRB and any repository would be satisfied. Whether a filed official statement is, in fact, properly available should be a supervisory responsibility of the MSRB. It may be useful to have the repository generate a receipt that the submitting dealer could retain as proof of filing.

The repository may be able to cover some of its costs by selling subscriptions to its data to information services and other bulk users, while providing free and open access on an inquiry basis to others.

* * * * * *

We are aware that contemporaneously with the submission of this letter, The Bond Market Association ("TBMA") is also submitting a comment letter responsive to the Notice. We participated with TBMA in the preparation of that letter and we support the views expressed therein.

Very truly yours,

Terry L. Atkinson
Managing Director
UBS Securities LLC

UMB

September 14, 2006

Ernesto A. Lanza
Senior Associate General Counsel
MSRB
1900 Duke Street
Suite 600
Alexandria, VA 22314

RE: MSRB NOTICE 2006-19 (JULY 27, 2006) MSRB Seeks Comments on Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Investment Banking Division of UMB Bank, N.A. (UMB) would like to thank you for the opportunity to comment on the above mentioned MSRB notice. As you are well aware the bond market in general has been struggling with the issue of the timely delivery of official statements with regard to new and secondary issues. You have requested that the industry help address the questions stated in this notice and we are happy to oblige. The following are UMB's responses to the posted questions in the notice and a few items upon which UMB would like clarity on as they would apply to our business.

The first comment we would like to make is that if this rule would be implemented in the very near future UMB would be ready to convert with little or no disruption to our business. As a regional bank dealer we have the ability to speak to the concerns expressed in the notice, chiefly the concern of whether the smaller issuers and dealers will be able to catch up to the electronic age. UMB is pleased to report that the necessary investments in process and technology have already been made.

UMB has been actively working toward a paperless environment for the last 10 fiscal years. The standard that we are requesting for delivery of official statements to us from issuers and financial advisers is in the portable document format (pdf). IBD receives an estimated 95% of all official statement documentation in electronic form.

It is of significant concern to us that when an electronic version of an official statement is received from the issuer we are currently required to print the document in hard copy form and mail it to our customer, to satisfy the requirements of G-32. This has created

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significant printing cost increases, additional storage costs for UMB and our customers as well as unnecessary delays in delivery. By having the ability to notify our customers that offering documentation is available in electronic form and at a specific web site would alleviate most of the printing costs as well as the cost of shipping this material to our customers. We welcome a standardized document format in the form of a .pdf for all offering documentation.

We currently submit our G-36(OS) form along with the official statements in electronic form, and have done so for the last year. We would have no issue with electronic submission being the rule.

One item we would like addressed is the ability to add a link to the proposed database, which the MSRB might have, through our UMB website. Would there be any regulatory issue to allowing UMB to drive customers to our site, and then link them on to the proposed database site?

Another item is that the Edgar site that the SEC maintains is not very user friendly. We would welcome improvements to the site as might be aided with the SEC's new notice asking for technology bids. If a different site is selected the only requirement that we would like to see is that the offering documentation be available for the life of the issue, rather than just for the underwriting period. We feel that this will aid the secondary market and allow freer flow of information to secondary market purchasers.

Our final item of concern is time requirements. We would like additional clarity as to how we are to deliver notice. We are considering adding the notice to our confirmations which are mailed out or faxed to our customer on trade date. We are also considering sending a mass mailing to all of our customers notifying them that the offering documentation is available from the proposed web site. Will this satisfy the time requirements? What type of notification would be allowed, paper notification mailed to the customer, email, fax delivery or some other electronic form? Specific guidelines in this area would be very helpful.

Again we thank you for the opportunity to comment. We look forward to the final ruling.

Sincerely,

James C. Thompson

James C. Thompson
Divisional Executive Vice President
Investment Banking Division
UMB Bank, N.A.

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September 15, 2006

VIA FACSIMILE (703) 797-6700

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Dear Mr. Lanza:

USAA Investment Management Company (IMCO) appreciates the opportunity to comment on the Municipal Securities Rulemaking Board's (MSRB) request for comment on whether it should implement an electronic system of primary market disclosure for the municipal securities market. In particular, the MSRB has asked for comment on whether it should implement a variant of the Securities and Exchange Commission's "access equals delivery" model for delivery of official statements in municipal securities offerings.[1] The MSRB also has asked for comment on whether this model should include delivery of official statements for municipal fund securities, such as interests in college savings plans.

IMCO strongly supports the MSRB's efforts in this area.

- IMCO agrees that electronic delivery will provide more timely and efficient delivery of critical information to the market, intermediaries who recommend municipal transactions to investing clients, and ultimately to such investors.
- IMCO also agrees with the MSRB that electronic delivery of such statements are less costly than printing and mailing paper copies to all investors, and could promote reductions in the costs of municipal offerings, including offerings of college savings plans, that could be passed on to investors.

Our main comment, which is discussed in greater detail below, is that IMCO strongly supports including distribution of Plan Descriptions for college savings plans in any electronic delivery model adopted by the MSRB for other offerings of municipal securities. We believe the overwhelming Internet acceptance by potential investors in college savings plans actually makes adoption of the "access equals delivery" model particularly appropriate to college savings plan offering documents.

I. Background on IMCO

IMCO is an indirect, wholly-owned subsidiary of United Services Automobile Association (USAA), a member-owned association. USAA seeks to facilitate the financial security of its members and their families by providing a full range of highly competitive financial products

[1] The SEC first articulated the notion of an "access equals delivery" model for documents required to be delivered under the federal securities laws in 2000, under which delivery of a document will be presumed if investors have access to the document via the Internet or some other electronic database.

and services, including insurance, banking and investment products. USAA members are the American military community, and include present and former commissioned and noncommissioned officers, enlisted personnel, and their families. IMCO is a registered broker-dealer and registered with the MSRB as it will execute securities transactions, including transactions involving municipal securities, for its customers. IMCO also markets a college savings plan to USAA members entitled the USAA College Savings Plan (USAA CSP, or the Plan). USAA CSP interests are sponsored by the State of Nevada and purchased exclusively through IMCO in its capacity as a broker-dealer.

II. IMCO Supports All Efforts to Adopt Electronic Access to Required Securities Documents as Primary Delivery Model

A. Background on Document Delivery

As the MSRB is aware, the federal securities laws requires that, among other regulated entities, that broker/dealers deliver certain documents to their clients. Prior to 1995, the only approved delivery channel for these documents was mail delivery of a paper copy. Mail delivery results in delay to investors and intermediaries in accessing information, and is the most expensive delivery channel because it involves printing and postage costs.[2] Beginning in 1995, the U.S. Securities and Exchange Commission (SEC) has issued numerous releases regarding electronic delivery of these required documents. Under SEC interpretations, clients generally must have notice and consent to receive most required documents electronically, and they have the right to revoke such consent and receive future documents in paper.[3] Although the SEC's interpretations and action in this area have promoted the advancement of electronic technology for use for delivery of required documents, the current framework of notice and consent requires firms to track each client's consent electronically or in writing and still presupposes that every investor must receive every document.

In 2000, the SEC first introduced the concept of an "access equals delivery" model in which delivery would be presumed if the document is available electronically through the Internet or

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[2] For example, there are approximately 20,000 account holders in the USAA College Savings Plan. IMCO mailed a revised Plan Description to existing account holders earlier this year, and it cost approximately $10,000 to produce and mail this document. There also are system costs associated with tracking changes to an investor's consent to receive electronic documents and resulting recordkeeping. These costs will increase as the number of accounts increases, which the industry anticipates in the wake of Congress' repeal of the sunset provisions for the federal tax benefits of these accounts. Also, IMCO is working with the State of Nevada to reduce the fees associated with the USAA CSP effective in October, and eliminating these types of costs will assist IMCO in avoiding future fee increases because of increased costs associated with anticipated increases in the number of accounts.

[3] In 1995, the SEC issued its first release entitled Use of Electronic Media for Delivery Purposes, Securities Act Release No. 7233 (Oct. 6, 1995) (1995 Release). This was followed in 1996 by a release entitled Use of Electronic Media by Broker-Dealers, Transfer Agents and Investment Advisers for Delivery of Information, Securities Act Rel. No. 7288 (May 9, 1996) (1996 Release).

another electronic source. In 2000, the SEC determined that the time for "an access equals delivery" model had not arrived yet", but noted that certain circumstances could warrant its adoption.[4] In particular, the SEC asked for comment about Internet access among U.S. households and information regarding how persons were using the Internet, and in particular, whether there was evidence that people were using the Internet as a source for information about different securities products.

In 2005, the SEC adopted the "access equals delivery" model solely for delivery of final prospectuses in public offerings.[5] The SEC based its decision on the fact that Internet usage had increased among U.S. households to approximately 75%, and based on the use of the final prospectus. In particular, the SEC noted that an investor's decision to purchase a specific security was generally made prior to receipt of the final prospectus, and therefore receipt of the final prospectus by each investor was not necessary. Rather, the SEC concluded that the information in the final prospectus was important for the market and intermediaries, and that purpose could be satisfied by filing of the document with the SEC rather than physical delivery to each investor.

B. IMCO Believes that Access Equals Delivery Should Be Adopted for Delivery of Plan Descriptions for College Savings Plans

IMCO believes that including the delivery of Plan Descriptions for 529 Plans in any "access equals delivery" model for municipal securities is consistent with investor protection because of the types of persons investing in these securities and the information they are using to make these decisions. In particular, IMCO notes that:

- Internet access and usage of persons investing in college savings plans is significantly higher than the percentage noted by the SEC when adopting the "access equals delivery" for final prospectuses.
- Evidence also suggests that these investors are relying on sources other than the Plan Description when making investment decisions in college savings plans.

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[4] *See* Use of Electronic Media, Securities Act Rel. No. 7856 (Apr. 28, 2000) (2000 Release). The SEC based its decision on the fact that Internet access, although more prevalent than in 1995, was still not universal, and that many investors did not rely solely on the Internet for information about issuers and securities and declined electronic delivery because of the time to download and print large documents. The SEC also asked for comment whether there were circumstances under which "access equals delivery" would work consistent with investor protection. To that end, the SEC asked for information about Internet access among U.S. households, and whether there was data suggesting that investors will rely on the Internet as the sole means of obtaining information from issuers or intermediaries.

[5] *See* Securities Offering Reform, Securities Act Rel. No. 8591 (Dec. 1, 2005). The SEC's final rule does not apply to the distribution of mutual fund prospectuses, as the SEC stated that electronic delivery of final mutual fund prospectuses should be undertaken with a comprehensive examination of the current disclosure regime for those securities.

IMCO believes the single most important factor justifying adoption of electronic delivery as the primary delivery method is the substantial increase in Internet access by U.S. households, and in particular by the population segments investing in college savings plans. In 2005, the SEC noted that approximately 75% of Americans had Internet access. Other studies or surveys demonstrate that this number is higher or lower depending on age group, education and income level.[6] For example, Internet access and usage had increased dramatically since 1997 from a quarter of the population to 79%, with Internet access over 90% for persons with some college, college or postgraduate degrees or annual household incomes of $50,000.[7] Also, Internet access was 85% for all age groups 54 or under, with Internet access increasing among the age group 55 years and older from 8% in 1997 to 64% in 2005.[8] The ICI also found that Internet access among mutual fund shareholders in all these categories is higher than the U.S. population as a whole.[9] Finally, the ICI 2005 Report found that 59% of mutual fund shareholders were using the Internet to obtain investment information.[10]

A 2003 survey done by the Investment Company Institute to obtain profile information about households investing for college found certain characteristics associated with responding households using investments in college savings plans (prepaid tuition plans or Coverdell accounts) for college savings. The median age of persons responding to the survey who used education-targeted savings programs was 41 and they had higher household income (just under $100,000) and financial assets ($130,000) than those respondents using other vehicles for educational savings, and approximately 75% had college or postgraduate degrees.[11] These

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[6] *See* Mutual Fund Shareholders' Use of the Internet, Investment Company Institute, Research Fundamentals, Vol. 15, No. 2 (Feb. 2006). (ICI 2005 Report). This report analyzed and summarized Internet access and usage among mutual fund shareholders in 2005.

[7] *Id.* at p. 2, Figure 1.

[8] *Id.* The ICI 2005 Report also found, however, that the largest increases in Internet access was among lower income and older Americans, which shows growing acceptance of the Internet as a communications medium. *Id.* at p. 3.

[9] For example, Internet access among all mutual fund investors was 88%, and was over 90% for all age groups under 65, for those with college or postgraduate degrees, and persons with annual income of at least $50,000. *See id.*, Figures 2 and 3 at pp. 2-3.

[10] A later research report reinforces this finding and notes that recent fund investors generally rely on three sources of information before making an investment decision. The most frequently cited sources were financial advisors (73%), fund company or other websites (46%), and friends and family (40%). Mutual fund prospectuses were the fourth most cited source at only 34%. Also, the Internet as a source of information was significantly higher among investors investing in directly sold funds (63%) rather than funds or products sold through financial advisors. *See* Understanding Investor Preferences for Mutual Fund Information, Figure 7 at p. 12, Investment Company Institute (August 2006).

[11] *See* Profile of Households Saving for College, Figure 8 at p. 10, Investment Company Institute (Fall 2003) (ICI College Profile Survey). The respondents saving for college that used accounts other than education-targeted savings programs had a median age of 42, lower household income ($75,000) and financial assets ($70,000), and a lower percentage (51%) had college and postgraduate degrees.

groups are the precise ones that are significantly more likely to have Internet access, and use the Internet, among other sources, for information about companies and products.

The 2003 ICI College Profile Survey also identified the important sources of information for persons making investment decisions to invest in college savings plans. The largest identified source of information about these plans by responding households (64%) was financial advisors.[12] Other important identified sources of information included articles and newspapers (56%), materials from the state offering the plan, including the state's website, advertisements and brochures (54%), the Plan's official statement (53%), brochures, advertisements and websites of financial services companies (46%), and the Internet (43%). Thus, because persons investing in college savings plans are relying on the Internet and other sources for information about college savings plans, IMCO believes that delivery of a paper copy of the Plan Description to each investor is not only unnecessary for investor protection but could actually hamper the efficient and timely delivery of information to the sources that investors are relying upon. IMCO believes that dissemination of this information could reach financial advisors, the Internet, journalists writing newspaper articles and other identified sources faster and more efficiently if the Plan Descriptions were filed and easily accessible through an electronic database.[13]

In conclusion, IMCO believes that the MSRB should adopt electronic access as the primary delivery method for Plan Descriptions for interests in college savings plans. We believe that the removal of the sunset provisions for the federal tax benefits of college savings plans will result in more assets being invested in such accounts. We commend the MSRB's for its consideration and promotion of electronic technology to improve the dissemination of information about municipal securities in the most cost effective manner to the market, intermediaries and investors. Because investors in college savings plans also should have the benefit of reduced distribution expenses and more timely and efficient information sharing about these plans, we believe that the MSRB should include the distribution of Plan Descriptions for college savings plans in any electronic delivery method implemented for offerings of other municipal securities. In fact, given the evidence that most potential investors in college savings plans have access and are comfortable using the Internet, we believe the "access equals delivery" model is most uniquely suited to college savings plan offerings.

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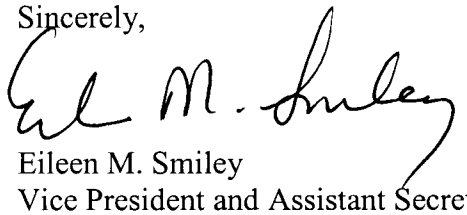
[12] *Id.* Figure 40 at p. 45.

[13] We note that any electronic database, whether maintained by the MSRB or a third party, should be readily available and easy to search by investors, financial advisors and other market participants.

We appreciate the opportunity to provide comments on this important topic that could benefit firms, intermediaries and investors. If you have any questions regarding our comments, or would like additional information, please contact the undersigned at (210) 498-4103, or Mark S. Howard at (210) 498-8696.

Sincerely,



Eileen M. Smiley
Vice President and Assistant Secretary
USAA Investment Management Company

WELLS FARGO

Institutional Brokerage & Sales

John McCune
President
Wells Fargo Institutional Brokerage & Sales
608 Second Avenue South
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September 14, 2006

Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza,

I am responding on behalf of Wells Fargo Institutional Brokerage & Sales, which includes Wells Fargo Brokerage Services, LLC and Wells Fargo Institutional Securities, LLC. Wells Fargo Institutional Brokerage & Sales is the institutional fixed-income brokerage firm of Wells Fargo & Company, a diversified financial services company.

Following are comments from our firm on MSRB Notice 2006-19 on the application of the "access equals delivery" standard to official statement dissemination for new issue municipal securities.

Overall, our firm strongly supports the direction the MSRB and the industry are attempting to move in improving and automating this process. Following are responses to address specific comment requests in the notice:

Comment on the current availability of electronic official statements from issuers and the factors affecting future growth in such availability.

In our experience, nearly all, if not all, official statements are created in an electronic format. Underwriters may currently receive the official statement in hard copy, but they certainly have the ability to demand electronic versions.

Comment on the nature and level of potential burdens of requiring that all submissions under Rule G-36 be undertaken in electronic format.

Providing everything in electronic format may have some procedural changes, but any short-term inconveniences will be justified by the longer-term efficiencies.

Currently requirements are that electronic official statement submissions be made solely as portable document format (PDF) files. The MSRB requests comment on the advisability of accepting other electronic formats, what such other formats should be and whether such other formats create inappropriate risks for or burdens on issuers, dealers or investors.

PDF is the licensed product of a single software vendor. While this software is popular, our industry should not encourage a situation that may require firms to purchase essential technology from only one vendor. Also, any software is susceptible to performance issues or obsolescence, so it is uncertain how long the PDF format will be the preferred format. We would suggest having a few format options, preferably some formats that are not "owned" by a single company.

Comment on whether a centralized website where all official statements for issues in their new issue disclosure period are freely available to the public would be preferable to a decentralized system.

Our firm strongly prefers a centralized database.

Should the MSRB itself undertake either centralizing function, or are there other market participants or vendors who could undertake such duties subject to appropriate supervision?

The MSRB should investigate a centralization function that will not unequally empower a single data vendor.

Comment on whether the current new issue disclosure period ending 25 days after the bond closing would be the appropriate period for purposes of maintaining free centralized access to official statements, or whether a longer period would be more appropriate.

The period should be longer. When trading in the secondary market, our firm often encounters issues with confirming information about a specific bond, and we are at the mercy of data vendors to obtain the information. This often makes complying with the trade reporting regulations a challenge.

Comment on whether the "access equals delivery" model should be available on all new issues or whether certain classes of new issues should continue to be subject to a physical delivery requirement.

The "access equals delivery" model should be applied to all new issues.

Should dealers be able to assume that an electronic official statement is available for a qualifying issue without inquiry?

Yes. Dealers should be able to assume that an electronic official statement is available for a qualifying issue without inquiry.

Would it be appropriate to set a two-day post-settlement deadline for delivering notices to customers that matches the SEC's notice requirement for registered offerings?

No. The municipal market is more heterogeneous than other markets. Investors should have the opportunity to review the details of a deal prior to its settlement.

Under Rule G-36, the MSRB is seeking comment on whether a single ultimate deadline for all issues, requiring that official statements be submitted to the MSRB by no later than the bond closing, is appropriate.

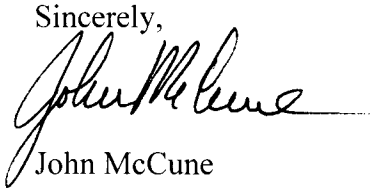
A single ultimate deadline is appropriate and preferred.

Where a dealer financial advisor prepares the official statement, should such financial advisor be required to submit the official statement directly to the MSRB on behalf of the underwriter?

Yes. Where a dealer financial advisor prepares the official statement, such financial advisor should be required to submit the official statement directly to the MSRB on behalf of the underwriter.

Our firm appreciates the opportunity to comment on MSRB Notice 2006-19. We would further welcome the opportunity to respond to any further questions or needed clarifications on any of our responses. Please do not hesitate to contact me.

Sincerely,



John McCune

Ernie Lanza

From: Eric Pehrson

Sent: Friday, September 08, 2006 5:08 PM

To: Ernie Lanza

Cc: Carl Empey; Jon Bronson

Subject: Comments to MSRB Notice 2006-19 (July 27, 2006)

Dear Mr. Lanza:

For over 90 years, Zions Bank Public Finance (and it predecessors) has been a financial advisor, underwriter or purchaser of municipal bonds, to local government entities in the State of Utah.

We support MSRB's efforts in seeking standards for "access equals delivery" in the municipal securities market. In our support we make the following comments.

1. Electronic Format.

We agree that all submissions to MSRB should be done in electronic format. We support Adobe's Portable Document Format ("PDF") as the current "universal" electronic standard and any future electronic formats that provide users with the ability to prepare, print, read and distribute "universal" electronic documents, with no additional costs or fees.

Currently, we see no additional burden or extra costs to state and local governments in complying with current electronic formats. However, if other electronic formats are used, such as "HTML" or "ASCII," and additional specific formatting is required, we would view these formats as unacceptable.

2. Central Assess to Electronic Official Statements.

We support a "free" centralized website (to be either owned/operated or governed by MSRB). The MSRB website could be operated under the same theory as the EDGAR/Securities and Exchange Commission website.

In addition, we proposed that MSRB also make electronic Preliminary Official Statements ("POS") available on the centralized website. The centralized website would include all POS related to competitive and negotiated municipal deals.

The majority of the discussion of MSRB Notice 2006-19 is in regards to final Official Statements ("OS") and the delivery and distribution thereof. There is currently no centralized process for the access and distribution of POS to the municipal market. Many of our issuers would welcome the ability to place their POS on a centralized web site, whereby interested underwriters, dealers and investors know "where to go" to get information. Corporate "preliminary" prospectuses are available on the "EDGAR/SEC" website and then are eventually replaced with the "final" prospectus. We propose that MSRB follow this SEC concept. Provide the POS on the centralized website and replace the POS with the final OS.

MSRB should charge a "reasonable service fee" for hosting the POS and final delivery/notice of the OS. Currently, most Utah municipal issuers produce and distribute a PDF POS and then hard print the OS. With electronic delivery/notification of the OS, Utah issuers will save several thousand dollars of printing/mailing costs.

We support "free centralized access" of the OS until the final maturity date of the issue.

3. Potential MSRB Rule Changes to Implement the . . . Model.

We support "access equals delivery" for **all** taxable and tax-exempt offerings of municipal bonds. Municipal bond issuers exempt from Exchange Act Rule 15c2-12 should be treated the same as those subject to Rule 15c2-12.

With electronic OS, we see no reason why MSRB Rule G-32 couldn't be changed to match SEC Rule 173 (two-day post-settlement deadline for electronic delivery notices regarding final OS to customers).

We believe that the electronic OS should be available on or prior to the bond closing date. With electronic delivery of

the OS, Rule G-36 should be amended accordingly.

If a financial advisor (or disclosure counsel or underwriter's counsel) prepares the POS and OS, the financial advisor should assume the responsibility of sending the OS to MSRB. If no financial advisor is involved, the underwriter should be responsible for this filing.

Thanks to MSRB's efforts in these matters. If you have any questions please contact me.

Sincerely,

Eric Pehrson
Vice President

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