



September 22, 2008

Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Proposed Amendment to Municipal Securities Disclosure
File No. S7-21-08

Dear Ms. Harmon:

The Municipal Securities Rulemaking Board (the “MSRB”)¹ appreciates the opportunity to comment on the Securities and Exchange Commission’s (the “SEC” or “Commission”) release regarding Proposed Amendment to Municipal Securities Disclosure, noted above (the “Release”). The Release proposes changes to SEC Rule 15c2-12 that would amend certain requirements regarding the information that a broker, dealer or municipal securities dealer (a “dealer”) acting as an underwriter in a primary offering of municipal securities must reasonably determine that an issuer of municipal securities or an obligated person has undertaken, in a written agreement or contract for the benefit of holders of the issuer’s municipal securities, to provide. Specifically, the amendment would require dealers to reasonably determine that the issuer or obligated person has agreed: (1) to provide the information covered by the written agreement to the MSRB, instead of to multiple nationally

¹ The MSRB was established in 1975 by Congress to develop rules regulating securities firms and banks involved in underwriting, trading and selling municipal securities. It is charged with protecting investors and promoting a fair and efficient market. The MSRB also operates information systems designed to promote transparency and access to information, and also has an extensive outreach and education effort. The MSRB Board is composed of members of the municipal securities dealer community and the public.

recognized municipal securities information repositories (“NRMSIRs”) and state information depositories (“SIDs”), as the rule currently provides, and (2) to provide such information in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The MSRB strongly supports the proposed amendment and the SEC’s efforts to improve the flow of disclosure information to the municipal securities marketplace, particularly to retail investors. In support of these efforts, in March 2008, the MSRB launched its Electronic Municipal Market Access (“EMMA”) pilot. EMMA is an Internet-based disclosure portal that provides free public access to primary market disclosure documents (*i.e.*, official statements and advanced refunding documents) and real-time municipal securities trade data for the municipal securities market, in a manner specifically tailored to retail investors. The EMMA website is accessible at <http://emma.msrb.org>. EMMA currently provides an easily navigable integrated display of primary market disclosures and transaction pricing data for a specific security, incorporating detailed user help and investor education information designed to make the information easily understood by retail investors. EMMA provides free access to the MSRB’s full collection of issuer primary market disclosure documents dating back to 1990, as well as to trade price information since January 2005. The MSRB continues development work on moving EMMA from a pilot to its permanent full-service phase. To further ensure broad access to the disclosures provided in primary market documents, the MSRB will make these documents available by subscription to information vendors and other bulk data users on terms that will promote the development of value-added services by subscribers for use by market participants.

Under SEC Rule 15c2-12, as currently written, certain continuing disclosure information, including annual financial and operating data and material events notices, are provided to NRMSIRs and SIDs. The MSRB is included in the rule as an alternative recipient of material event notices only. When received, these notices are disseminated to subscribers. During the last few years, however, the MSRB grew concerned about investor access to continuing disclosure documents through the current NRMSIR system.

As a result, after consultation with the SEC and review of the SEC’s White Paper to Congress on the municipal securities market, earlier this year, the MSRB began to plan for a continuing disclosure component of EMMA and has filed a proposal with the SEC to implement this component.² This enhancement would combine continuing disclosure information with the primary market disclosure and trade information currently available to provide a central location for all such municipal securities market information. Upon SEC approval of the amendment and of the MSRB’s proposal to implement the continuing disclosure component of EMMA, these continuing disclosure documents will become immediately available for free to the general public through the EMMA website portal.

² See SR-MSRB-2008-05 (July 30, 2008).

Continuing disclosure documents will be integrated into the existing official statement and trade display to produce an all-encompassing view of the relevant primary market, secondary market and trade price information for each security in the marketplace, easily accessible through EMMA's powerful search engine. In addition, the MSRB will make continuing disclosure documents available by subscription to information vendors and other bulk data users on terms that will promote the development of value-added services by subscribers for use by market participants. Free submissions would be made by issuers, obligated persons and their designated agents through a single venue rather than to multiple NRMSIRs.³

The benefits of an all-electronic system, including in particular all inputs in electronic form with submitter-provided indexing information, will ensure the most rapid and accurate dissemination of information possible. All submitters of information would be expected to complete the appropriate indexing information to ensure that the investing public is able to review the disclosures and to confirm that they have accessed all the information that the issuer has intended to provide to the marketplace. To this end, the MSRB is committed to working with issuers, other industry participants, the SEC and other regulators to help ensure a rational and efficient transition to the new rule requirements and related EMMA system enhancements. To further ensure a smooth transition for submitters and end users of continuing disclosures, the MSRB would not oppose a relatively short delay in effectiveness of the proposed changes to Rule 15c2-12 to allow all industry participants the opportunity to make voluntary or test submissions to and access information from the continuing disclosure component of EMMA prior to fully transitioning to the EMMA system.⁴

The MSRB believes that the proposed amendment would greatly improve the flow of information in the municipal securities marketplace and allow retail investors, for the first time, to access important information about municipal securities for free from one central location that includes all the information issuers are providing. The MSRB stands ready to provide continuing disclosure information to investors through EMMA.

³ In its role as the central venue for submissions of continuing disclosure documents, the MSRB would serve as successor to the NRMSIRs under Rule 15c2-12 and, as such successor, would be the proper recipient for continuing disclosure undertakings executed prior to the effective date of the proposed amendment to Rule 15c2-12. The MSRB does not believe that designating the MSRB as the single NRMSIR is necessary and may result in confusion to submitters and public users of continuing disclosure.

⁴ The MSRB would file a proposal with the SEC to implement a pilot continuing disclosure component of EMMA in connection with voluntary or test submissions made prior to full effectiveness of the SEC's proposed changes to Rule 15c2-12.

If you have any questions, please do not hesitate to contact Lynnette Kelly Hotchkiss, Executive Director, at 703-797-6600.

Sincerely,

A handwritten signature in black ink that reads "Frank Chin". The signature is written in a cursive style with a large, sweeping initial "F".

Frank Chin
MSRB Chair