

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.

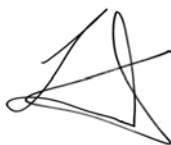
Timing of Initiation of Submissions

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

Ernesto A. Lanza
Municipal Securities Rulemaking Board
December 14, 2007
Page 5 of 5

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