



May 10, 2009

Elizabeth M. Murphy  
Secretary  
United States Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

Re: Comment Letter on Release No. 34-59636; File No. SR-MSRB-2009-02

Dear Secretary Murphy:

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> appreciates this opportunity to comment on a notice of filing with the Securities and Exchange Commission (“Commission”) of a proposed rule change by the Municipal Securities Rulemaking Board (“MSRB”) to implement an electronic system for free public access to primary market disclosure documents and transaction price information for the municipal securities market through the MSRB’s Electronic Municipal Market Access system (“EMMA”). The proposed rule change would: (i) establish EMMA’s permanent primary market disclosure service for electronic submission and public availability on EMMA’s Internet portal of official statements, advance refunding documents and related primary market documents and information; (ii) establish EMMA’s permanent transparency service making municipal securities transaction price data publicly available on the EMMA portal; (iii) establish a real-time subscription to the primary market document collection; (iv) terminate the existing pilot EMMA facility of the Municipal Securities Information Library (MSIL) system and suspend submissions of official statements, advance refunding documents and Forms G-36(OS) and G-36(ARD) to the MSIL system and (v) amend and consolidate current Rules G-32 and G-36 into new Rule G-32 on disclosures in connection with primary offerings, replace current Forms G-36(OS) and G-36(ARD) with new Form G-32, provide transitional submission requirements, and amend certain related

---

<sup>1</sup> SIFMA, or the “Association”, 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.

SIFMA Comment Letter on File Number SR-MSRB-2009-02  
Secretary Murphy  
Securities and Exchange Commission  
May 10, 2009  
Page 2 of 5

recordkeeping requirements, to establish an “access equals delivery” standard for electronic official statement dissemination in the municipal securities market (the “rule change proposal”).

As discussed in SIFMA’s<sup>2</sup> previous letters to the MSRB dated September 15, 2006, March 16, 2007, and December 14, 2007, SIFMA is very supportive of the MSRB’s EMMA system generally and applauds the MSRB’s accomplishments. Not only does a single centralized and searchable venue for free public access to disclosure and transaction price information promote a more efficient municipal securities market, but also permitting electronic dissemination of and an “access equals delivery” standard for primary market disclosure documents<sup>3</sup> should reduce costs for issuers, dealers and other market participants by eliminating the need to print and to distribute in paper official statements in connection with primary offerings. SIFMA’s comments herein focus on reiterating certain previous comments, and addressing operational and timing issues related to implementation.

#### Standing Order for Paper

Access equals delivery in the registered corporate securities context require a broker dealer to, upon request, send an investor a paper copy of a primary market disclosure document.<sup>4</sup> The MSRB rule change proposal sets forth a system whereby “dealers would be required to honor any customer’s explicit standing request for copies of official statements for all of his or her transactions with the dealer.”<sup>5</sup> Currently, broker dealers’ systems and processes have been designed to accommodate investors desiring paper copies of disclosure documents by request, as required in the context of corporate securities, but not on a standing basis. If MSRB requires broker dealers to change their systems to accommodate an investor’s standing order for paper documents, broker dealers will be forced to undertake an enormous amount of expense to accommodate a limited number of retail investors who neither want to receive documents electronically nor ask for paper copies on a transaction by transaction basis. The costs of this requirement seem to far outweigh the perceived benefits, and will delay or prevent issuers and other market participants from achieving the cost savings anticipated by the implementation of

---

<sup>2</sup> Hereinafter, SIFMA shall mean the Securities Industry and Financial Markets Association and its predecessor organizations The Bond Market Association and the Securities Industry Association, collectively.

<sup>3</sup> “Primary market disclosure documents” are collectively defined as official statements, preliminary official statements and advance refunding documents, including amendments thereto.

<sup>4</sup> See. Securities Act Release No. 8591 (2005), 70 Fed. Reg. 44722 (2005). See also, Securities Act Rules 172 and 173.

<sup>5</sup> 74 Fed. Reg. 15199 (2009).

SIFMA Comment Letter on File Number SR-MSRB-2009-02  
Secretary Murphy  
Securities and Exchange Commission  
May 10, 2009  
Page 3 of 5

“access equals delivery”. SIFMA requests that final rule change conform to the rule for the registered corporate securities market

#### New Rule G-32 Data Elements and NIIDS

In its filing with the SEC, the MSRB noted that Rule G-34(a)(ii)(C)(1) requires underwriters for most new issues of municipal securities to provide certain information regarding the new issue to an automated electronic new issue information dissemination system (“NIIDS”), operated by the Depository Trust Company, within two hours of the time of formal award of the issue.<sup>6</sup> SIFMA reiterates its prior comments to MSRB and urges the MSRB to permit an underwriter to designate to the MSRB that information it has submitted to NIIDS under revised Rule G-34 should also be used for purposes of completing new Form G-32. NIIDS was developed to speed the dissemination of new issue information to market participants to aid compliance with new MSRB trade reporting rules. The timing requirements under new Rule G-34 were specifically and intentionally designed to jibe with current Rules G-32 and G-36. NIIDS was also designed to reduce input errors from conflicting redundant keypunching, speed information flow, and be a cornerstone of electronic “straight-through processing” by requiring an underwriter to input key data elements for a new issue into a system that would disseminate the data elements electronically to necessary market participants. NIIDS took a significant amount of industry time, expense and effort to develop and was implemented, as required by the MSRB, on September 30, 2008.<sup>7</sup> The feed specifications for NIIDS and G-32 don’t match, so a broker dealer cannot merely redirect its NIIDS feed to MSRB. Therefore, manual inputting or system developments at the dealer level are necessary to conform requested information to MSRB specifications, unless the MSRB takes the NIIDS feed. SIFMA feels strongly that it defeats the goal of straight through processing if broker dealers are required by the MSRB to input the same data elements into two different systems.

In the past, we have applauded MSRB’s efforts and achievements to support the goal of straight-through processing, particularly regarding the methodology of submission of trade reporting information. In order to reduce redundant efforts, reduce inputting errors, and increase the speed of information flow, SIFMA respectfully requests MSRB continue its efforts towards the industry goal of straight-through processing and make a firm commitment to take the outbound information feed from NIIDS to pre-fill the G-32 forms beginning no later than 90 days after SEC approval of the rule change proposal,

---

<sup>6</sup> 74 Fed. Reg. 15196 (2009).

<sup>7</sup> MSRB Notice 2008-41.

SIFMA Comment Letter on File Number SR-MSRB-2009-02  
Secretary Murphy  
Securities and Exchange Commission  
May 10, 2009  
Page 4 of 5

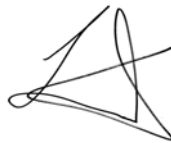
### Timing of Implementation

On May 6, the MSRB released a notice which stated the MSRB would announce on its website the effective date for the rule change proposal.<sup>8</sup> SIFMA understands that MSRB has the authority to announce the rule change on no fewer than 5 days notice but, in light of necessary industry operational and process changes related to the rule change proposal, requests that the MSRB give dealers at least 30 calendar days notice prior to the implementation date. We believe that 30 calendar days notice is reasonable and necessary for the following reasons: 1) May and June are popular vacation times, due in part to school holidays and graduations, and an increasing number of dealers are covered by bank regulations that require certain staff to schedule and take two contiguous weeks of vacation, therefore critical staff for such a change may not be available on short notice; 2) no manual is currently available on G-32 submissions to the EMMA Internet portal; and 3) no public training sessions or webinars have yet been held related to G-32 submissions to the EMMA Internet portal.

### Conclusion

We appreciate this opportunity to comment on this proposed rule change. 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](mailto:lnorwood@sifma.org).

Respectfully,

A handwritten signature in black ink, appearing to be 'L. Norwood', written over a faint, stylized triangular graphic.

Leslie M. Norwood,  
Managing Director  
and Associate General Counsel

---

<sup>8</sup> MSRB Notice 2009-18.

SIFMA Comment Letter on File Number SR-MSRB-2009-02  
Secretary Murphy  
Securities and Exchange Commission  
May 10, 2009  
Page 5 of 5

cc:     ***Securities and Exchange Commission***

Martha Mahan Haines

Mary Simpkins

***Municipal Securities Rulemaking Board***

Lynnette Kelly Hotchkiss

Ernesto A. Lanza

***Securities Industry and Financial Markets Association***

Municipal Executive Committee

Municipal Legal Advisory Committee

Municipal Syndicate & Trading Committee

Municipal Credit Research, Strategy & Analysis Committee

Regional Dealer Fixed Income Committee