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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 (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.



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If you have any questions concerning the comments, please feel free to contact me at 617/239-0389 ([wstonge@eapdlaw.com](mailto:wstonge@eapdlaw.com)), or Kenneth R. Artin at 407/398-7781 ([kartin@bمولaw.com](mailto:kartin@bمولaw.com)), or Elizabeth Wagner, Director, Governmental Affairs at 202/682-1498 ([ewagner@nabl.org](mailto: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  
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