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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.

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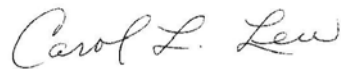


NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance. A professional association incorporated in 1979, NABL has approximately 3,000 members and is headquartered in Chicago.

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

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.