PRESIDENT'S SPEECH
Allen K. Robertson (Robinson, Bradshaw & Hinson, P.A., Charlotte, NC)
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Thank you, Scott.

Fellow NABL Members, and guests, I am honored to have the opportunity to serve as the 35th President of NABL. NABL was incorporated on February 5th, 1979, and next year we will celebrate our 35th anniversary. In fact, thanks to our friends at Treasury and the IRS, we will spend NABL's actual 35th anniversary, February 5th, 2014, with them, doing one of the things we do best: representing our members at the public hearing on the proposed issue price regulations.

Before briefly discussing some of the challenges and goals for NABL this year, there are a number of people I need to thank. I especially want to thank my five immediate predecessors as President: Bill Holby, Kathy McKinney, John McNally, Kristin Franceschi and Scott Lilienthal. Bill became President on September 17, 2008 (just two days after Lehman Brothers filed bankruptcy), and during these last five years, as our country and the municipal market have struggled to overcome the effects of the Great Recession, I believe that the five of you have done an excellent job leading NABL. I will miss having Kristin on the Board this year, as she retires from her Board service. And I want to thank and congratulate Scott on his service as President this past year, one in which we faced probably the most significant threat to the municipal bond interest exclusion since the 1980s. I also want to thank my fellow lawyers at Robinson Bradshaw, who have been particularly supportive of my NABL service over the years. Finally, I want to thank my wife, Jennie, and my sons, Will, George and Jack, for being supportive of my NABL work, which over the years seems to have usually fallen on weekends.

Before briefly discussing some issues that NABL can affect during the coming year, I also want to mention two significant risks to the economy generally and the municipal market that are beyond NABL's control. One of those risks is the recurring series of crises, including the current one that will play out in the next few days and weeks, resulting from the inability of Congress and the President to reach agreement on budgets and the debt ceiling. Without passing on the merits of the arguments from both sides about the need to reduce spending and/or raise revenue, the one result that should be unacceptable to all sides is to allow this country to default on its obligations. Let's hope that our representatives can at least figure out to avoid a default. The second risk is the incredibly complex, difficult task facing the Federal Reserve Board, which is how to taper and stop their purchase of $85 billion of Treasury bonds and mortgage-backed securities each month and ultimately sell the portfolio of more than $3 trillion of such securities they now hold on their balance sheet. My personal view is that the decisions to inject tremendous amounts of liquidity into the economy generally and the banking system, particularly during late 2008 and early 2009, saved us from the prospect of another Great Depression. But now the Fed must find a way to stop and unwind its bond purchases, without sending us back into another recession. Based on the impact on the markets from Ben Bernanke's remarks a few months ago about tapering, his successor as Fed Chairman probably needs to be a descendent of Harry Houdini.

So what can NABL do in the coming year? According to our Mission Statement, NABL "exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the law affecting public finance." And according to our bylaws, four of our purposes are:

- To educate our members and others in the law relating to public finance;

- To improve the state of the art in the field;
- To provide advice and comments with respect to legislation and regulations affecting public finance; and
- To provide leadership by developing, responding to and participating in proposals to improve the state of the law and practice in the field of public finance.

With respect to the first two of those purposes, educating our members and others and improving the state of the art in the field, which are internally focused, we will remain committed this coming year to presenting our three annual seminars at the highest level of quality possible and offering specialty teleconferences to address topics of interest that cannot wait until our next seminar or focus a discrete topic that might not otherwise be addressed at one of our seminars. And we will continue to explore how best to use the NABL website, NABLNet alerts, the Weekly Wrap, the NABL News, *The Bond Lawyer* and social media to educate and inform our members and to facilitate opportunities for our members to ask questions of, and share thoughts with, each other.

For me, improving the state of the art in the field means undertaking projects that directly affect the day-to-day practice of our members, working to make our members more like one of my favorite TV action heroes from the 1970s, the Six-Million Dollar Man, who became "better, stronger, faster." This year we will do that with a project on general obligation bonds, in which we will explore different types of general obligation bonds and what we are learning from recent Chapter 9 bankruptcy cases (such as Detroit) about the impact of bankruptcy on general obligation bonds, with the goal of examining what implications for disclosure may result from this analysis. We also will undertake a 501(c)(3) opinion project, which we expect to be useful to both bond counsel and borrower counsel in thinking about how to phrase such opinions and the diligence that may be appropriate to support such opinions. We also expect to complete our work on a revised Model Letter of Underwriter's Counsel and a joint project with IMLA regarding issuer's counsel opinions. Finally, in light of the emphasis by the IRS and the SEC on post-issuance compliance in recent years, we are undertaking a joint project with GFOA regarding bond tax post-issuance compliance procedures and will complete a Securities Law Committee project regarding development of disclosure policies, both of which should be helpful to our members and issuers who consider drafting such procedures and policies.

Turning to our external purposes (providing advice and comments on legislation and regulation and providing leadership with respect to proposals to improve the field of public finance), we will maintain and advance NABL's integral role as an objective and authoritative source regarding the public finance market, and continue to provide expert technical analysis regarding federal legislative and regulatory initiatives. We will, of course, monitor, keep you informed about and work with other municipal market participants regarding any proposed legislative changes to the municipal bond interest exclusion, whether in the form of repeal or the 28% cap. In light of the TAM relating to political subdivisions, we will work with legislators and regulators on possible guidance regarding what constitutes a political subdivision. While we may not agree with every aspect of the proposed arbitrage regulations released week before last, we welcome the fact that Treasury and the IRS were able to release proposed regulations on important topics such as issue price and we hope this signals that guidance on other important topics will be forthcoming in the year to come. Last Wednesday the SEC adopted the rules establishing the registration regime for municipal advisors as required by the Dodd-Frank Act. Now that the SEC has completed that task, we expect the SEC to turn back to the proposals made in its July 2012 report on the municipal market, including those relating to market transparency and disclosure. Other market participants may be in a better position to address market transparency issues and we will defer to them as appropriate in responding to those proposals. With respect to disclosure proposals, we agree with the SEC's recommendation that market participants should continue to strive for high-quality disclosure practices through voluntary industry initiatives, such as the pension disclosure and bank loan disclosure projects. NABL has been and continues to be willing to participate in, and provide leadership for, these industry disclosure initiatives.

In closing, I want to emphasize what I hope is obvious: NABL is your association. We exist solely for the benefit of our members. Give us your feedback. Tell us how we can serve you better. And get involved. Volunteer to serve as a panelist. Join one of our committees and work on one of our projects. You will educate yourself, and in turn help to educate all of us, by being part of what we do.

Thank you again for giving me the opportunity to serve as your 35th President.