Thank you Kristin. I can't describe how fortunate I feel to have the honor of serving as President of NABL. There are a number of people that I have to thank, starting with Hobby Pressley, who many years ago asked me to serve as chair of the NABL Education Committee. I'd also like to thank each of the Presidents whom I've had the honor of serving during my time on the NABL Board, starting with Monty Humble, and continuing with Walt St. Onge, Carol Lew, Bill Holby, Kathy McKinney, John McNally, and finally Kristin. I'd particularly like to congratulate Kristin on a terrific job of guiding NABL through a very challenging year, and leaving the organization in excellent position to continue to face those challenges in the coming year. I will be fortunate to have Kristin's continued counsel for the coming year as she remains on the board in the role of immediate past president. Finally, I'd like to thank my colleagues at Hogan Lovells for their support, especially Helen Atkeson and Jack Gardner, who encouraged me to be active in NABL and showed me the way through their own years of service to the organization.

Incoming presidents of NABL typically use this occasion to describe their agenda for the coming year and the challenges to be faced. This year there is no shortage of challenges that will be driving the NABL agenda. On several fronts we are facing the possibility of significant legislative and regulatory changes with the potential to significantly affect the municipal finance practice as well as the municipal market in general. On the tax side we are seeing legislative proposals that could have an unprecedented impact on the demand for municipal bonds. On the securities side we have heard from the SEC that they intend to seek legislation to provide them with additional tools to oversee the municipal bond market. We will also be dealing with the continued implementation of provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act. All of these potential changes are occurring within the framework of a market that is still struggling to overcome the worst financial crisis since the great depression. I believe that the NABL membership consists of some of the most knowledgeable people in the municipal finance industry, and I think that the wisdom and expertise of our members will be essential as the municipal market deals with these changes. I think the goal for NABL is to provide an organizational framework for these members to have a positive impact on the direction and implementation of these changes.

Turning back to the tax front, we have seen in the last couple of years a developing consensus that some type of reform of the Internal Revenue Code is necessary in order to deal with the long-term deficit issues facing the federal government. A common theme of many of these proposals is a desire to reduce or eliminate the number of targeted deductions and exclusions found in the Code, often referred to as "tax expenditures." While this idea has been around for a long time, it has become increasingly common to see the exclusion for municipal bond interest included on the list of tax expenditures that should be examined . Right now there are staffers on capitol hill and in the administration who are running calculations to determine how much can be saved by eliminating or reducing various combinations of tax expenditures. The danger for the municipal market is the possibility that this will become a purely mathematical exercise to determine which combination of deductions and exclusions will add up to the desired level of budgetary savings, with little thought given to the real world impact of reducing or eliminating any particular provision. That is why we need to work with others in the municipal market to ensure that legislators and policy makers are hearing the case for municipal bonds; hearing that the exclusion for municipal bond interest is not a tax loophole for high income individuals, but rather is an essential tool for state and local governments to finance needed infrastructure. Too often the discussion of the exclusion for municipal bond interest focuses exclusively on the potential savings, and not on the real consequences that would result from elimination or modification of the exclusion. These consequences would include higher borrowing costs for state and local governments, with those higher costs being passed through to local taxpayers and ratepayers in a regressive fashion, as well as the potential for reductions in spending on infrastructure that is essential for economic growth.

As described by Kristin, this past summer NABL issued its white paper laying out these issues. Our governmental affairs director Bill Daly was an essential part of the process of putting together the white paper and having it distributed to a wide audience of lawmakers, policymakers, staff, and industry groups. But the white paper is only the first step. With Bill's help we are continuing to have dialogues with a broad range of people in Washington and elsewhere, including coordination with other industry groups. This last point is crucial, as it is the state and local governments themselves who will be most effective in making the case for the continuation of the municipal bond tax exemption. In that regard, I urge all NABL members to talk with their clients and others about this issue, to make sure that they aware of these threats to tax exemption, and are thinking about what actions they might take to ensure that the adverse consequences of repeal or limitation of the exemption are being heard loud and clear. We hope the NABL white paper will be useful to anyone considering this issue, and encourage all NABL members to freely use the white paper and share it with others. We also will be drawing upon the expertise of the NABL tax law committee, under the leadership of Mike Larsen and Vanessa Lowry, as we monitor legislative developments and take appropriate action. Of course, the tax law committee will also continue its efforts with respect to more routine guidance, such as anticipated guidance on the determination of issue price under the arbitrage rules and following up on NABL's substantial comment letter relating to updating of the qualified management agreement rules.

Turning now to the securities front, while the potential changes we are facing there may not be quite as fundamental as those faced on the tax side, the likelihood of their occurring is probably more clear and the potential changes will have a direct impact on the practices of our members and the activities of our clients. As you all know, the SEC issued its report at the end of July describing possible legislative and regulatory proposals intended to address certain disclosure and market transparency concerns of the SEC. An important element of the report was proposals to give the SEC the authority to develop more specific rules on the content and timing of disclosure, as well as the tools to enforce those requirements. The report includes positive statements that the SEC would take a principles based approach in developing those rules, and that the rules would be tailored to recognize the significant differences between different types of issuers and different types of securities. It will be essential for NABL to continue to interact with the SEC and other market participants in order to ensure that any such rules strike an appropriate balance between providing investors with meaningful disclosure while at the same time not imposing unnecessary burdens on state and local governments. This task will be led by NABL's securities law committee, under the leadership of Jodie Smith and Carol McCoog.

The SEC report also commented favorably on cooperative industry efforts to improve disclosure in the municipal market, citing the example of the pension disclosure project led by NABL that was published earlier this year. Our securities law committee will continue to seek opportunities to play a constructive role in such cooperative efforts, with a current example being NABL's participation in a multi-group effort to draft considerations relevant to voluntary disclosure of municipal bank loans. It is also widely understood that the SEC is in the process of updating its 1994 interpretive release providing guidance to municipal issuers on disclosure topics. NABL has already submitted two comment letters to the SEC regarding the update to the interpretive release.

The SEC is also working on finalization of the definition of municipal advisor for purposes of the Dodd Frank Act. NABL has already submitted comments on the proposed municipal advisor definition, and the SEC's work on this will also likely be influenced by legislation introduced by Representative Dold that recently passed the House. The securities law committee will be closing monitoring both regulatory and legislative developments in this area to ensure that the scope of the municipal advisor rules are consistent with the original legislative intent.

There are other aspects of Dodd Frank that are still in the process of being implemented and that will have impact on certain sectors of the municipal market, such as the portion of the law commonly referred to as the Volcker Rule. Our municipal law committee has already assisted on NABL comments to the Volcker Rule, and under the able leadership of JoLinda Herring and Rod Kanter will continue to monitor developments. That committee is also responsible for monitoring the various national infrastructure bank proposals that have arisen and no doubt will continue to be proposed. It is very possible that legislative changes to the tax-exemption provisions in the Internal Revenue Code may be linked to national infrastructure bank proposals, so it is essential that we have an understanding of what proposals are being made. The municipal law committee is also coordinating with the International Municipal Lawyers Association in the development of model issuer's counsel opinions. This is another example of effective coordination between NABL and other industry groups.

It is also important to note that the Dodd Frank Act mandated the creation within the SEC of an office of municipal securities, with a director that reports directly to the chairman of the SEC. As we all know, this new position was recently filled by a familiar face, John Cross. While John's appointment may have been viewed by many as a somewhat unconventional choice in light of his background as a tax law expert, those of us who have worked with John over the years, including during his years at Treasury, understand why he was chosen. John is a consummate professional with a deep understanding of the workings of the municipal bond market, and we look forward to working with John in his new position. Our pleasure at seeing John appointed as the new director of the office of municipal securities is tempered, however, by our disappointment at losing such an effective person as the municipal bond expert in the Office of Tax Policy at Treasury. We thank John for his years of service in that position, and hope that the position will be filled soon in light of its importance in both the tax guidance process and in the development of the Administration's positions on tax legislation matters.

With all of these potentially major legislative and regulatory changes on the tax and securities law fronts, it will be particularly important for us at NABL not to focus exclusively on these big picture matters at the expense of NABL's traditional activities as an educational organization. With this changing legal landscape it will be more important than ever for NABL to continue to conduct the highest quality educational conferences, where our members can meet and discuss the latest developments, as well as hear directly from regulators and policymakers. For this we will continue to rely on our excellent faculty members, coming from a broad cross section of our membership. I have great confidence that our Education and Member Services Committee under the leadership of Deanna Gregory and Jeff Qualkinbush will continue the high standard for NABL conferences. We not only will be hosting the three traditional NABL conferences of BAW, fundamentals and TSLI, but also continuously looking for appropriate topics for targeted teleconferences. In that regard, planning is underway by the education committee for a teleconference in January of next year on the legislative process and current developments on the legislative front, to be moderated by Bill Daly. We think this will be an important and timely event for our members.

It will also be more important than ever in the coming year for NABL to keep its members informed of important developments through our electronic publications such as the Bond Lawyer, the Weekly Wrap, NABL News and NABLnet alerts. Bill Daly and Linda Wyman do a fantastic job of coordinating these important resources for our members, and NABL will continue to look for ways to make them more useful to members.

Before closing I want to recognize the loss this year of two of the most important people in the history of NABL, Rita and Chuck Carlson. Chuck was chair of the first Bond Attorneys Workshop and was the driving force behind the publication of bond case briefs, and Rita served as the first executive director or NABL. Their contribution to our organization and to the municipal finance practice cannot be overstated, and they will be missed.

Lastly, I'd like to express my thanks to Linda Wyman, Bill Daly and the rest of the NABL staff. Because of their hard work behind the scenes, those of us on the Board can focus on the substantive work of the organization and be confident that the day to day operations are in excellent hands. I look forward to working with you all in the coming year and thank you all for coming.