

**National Association of State Auditors, Comptrollers and Treasurers  
International City/County Management Association  
National Association of Counties  
National League of Cities  
U.S. Conference of Mayors  
American Public Power Association  
Council on Infrastructure Financing Authorities**

September 3, 2009

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: SEC Release 34-60315/SR-MSRB-2009-10

Dear Ms. Murphy:

Thank you for the opportunity to comment on proposed MSRB Rule 2009-10. The organizations listed above represent ten of thousands of counties, cities and governmental entities around the country who access the municipal bond market in order to provide important services and infrastructure to their citizens.

We understand that voluntary proposals discussed in this release may provide a means to demonstrate the abundance of information available to the public about state and local government finances. However, we remain concerned that such efforts by the SEC or the MSRB may indirectly make such voluntary submissions mandatory obligations in the future.

State and local governments continue to surpass their private sector counterparts in financial reporting transparency and availability of information. With important budget and financial decisions made in the public eye, and often with public input, our sector frequently functions as the gold standard for transparency among securities issuers. This includes the availability of important operational budget information, and the open process of adopting budgets for the upcoming fiscal year.

The details included within a governmental entity's comprehensive annual financial report (CAFR) encompass general information about the government, its basic financial statement, fund statements, an independent auditor's report, and a statistical section covering ten years' worth of key financial information and other data useful in assessing the government's financial condition. It is worth noting that the statistical section is unique to the governmental sector, and will not be found in the private sector. In addition to the extensive amount of financial reporting, governmental auditing standards are also more rigorous than the private sector.

Our organizations supported the creation of a central repository, acknowledging that having all municipal securities disclosure documents in one location is helpful to all market participants. With regard to the new voluntary disclosure fields proposed by the MSRB, we strongly encourage the MSRB and the SEC to carefully review the comments submitted by the GFOA, other state and local government organizations, and those of our own members.

We would like to comment, specifically, on the four new voluntary disclosure fields proposed in SR-MSRB 2009-10:

1. Providing URL Links to an Entity's Investor Relations or Other Financial Information. We support including a field where a government can post URLs to financial information related to their government and that are of interest to investors.
2. Indicating if a Government Receives GFOA's Certificate of Achievement for Excellence in Financial Reporting Program. We support a field to that allows governments to note if they have received this award.
3. Issuer Agrees in an Undertaking to Follow GAAP, as Established by GASB. Similar to the GFOA's comments, we support having a field noting whether a government follows GAAP standards, but this field should not include the standard setting body, GASB, for a variety of reasons, including redundancy and the fact that some municipal securities issuers do not follow GASB.
4. Issuer agrees in an Undertaking to Submit Their Annual Financial Statements to EMMA Within 120 Days of the End of Their Fiscal Year. We strongly oppose having such a field in EMMA. Setting a 120 day deadline for governments to submit their annual financial information to EMMA, even if voluntary, could create a de facto mandate on governments who believe that they must adhere to such a deadline. Furthermore, very few governments could meet such a deadline and, as indicated by the GFOA's Certificate program, current market practices point to 180 days as a goal to complete the annual financial information. The 120 day time period would compromise data used, as governments would have to rely upon estimates, and could lead to governments using auditors who do not have the extensive governmental accounting background needed to review these statements. Additionally, it is important to consider that many states and other entities report not just their basic financial statements but also the financial statements of major component units. It is unrealistic to have a deadline of 120 days to complete both the closing and auditing of those component units and also their inclusion in the entity's CAFR. We strongly encourage the SEC and the MSRB to withdraw this part of the proposal, as it is not consistent with current practices and would diminish the quality of financial reporting and auditing standards.

Our members are becoming familiar with EMMA, and appreciate the efforts that the MSRB has given to create the system. With the exception of the 120 days filing deadline, the new fields for which state and local governments can voluntarily provide more information about its finances related to its bond issues are a welcome addition and helps clarify the availability of financial information to the marketplace.

We hope in the future that the MSRB and the SEC will reach out to state and local governments on matters related to the municipal securities market and disclosure practices. Again, we appreciate the opportunity to comment on this proposed rulemaking.

Sincerely,

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National Association of Counties, Steve Traylor, 202-942-4254

National Association of State Auditors, Comptrollers and Treasurers, Cornelia Chebinou, 202-624-5451

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