First National
Capital Markets
Member FINRA & SIPC

August 21, 2017

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: - MSRB Rule A-13 Amendments;
File No. SR-MSRB-2017-05

Dear Mr. Fields:

First National Capital Markets, Inc. is writing to express its opposition to the revisions proposed to Municipal Securities Rulemaking Board Rule A-13 that would impose a new underwriting fee on underwriters of 529 plan securities.[1]

The proposed MSRB assessment is not calculated in a similar manner to mutual funds fees. The MSRB states that it will assess the proposed fee in a manner similar to the SEC assessment of registration fees on mutual funds pursuant to Rule 24f-2 under the 40 Act. The fees under rule 24f-2 only apply to new assets in a mutual fund (contributions are netted against redemptions). The MSRB proposes to assess its fee on a plan's total aggregate assets as of December 31 each year, as reported on Form G-45. The fee therefore will be assessed annually on the same assets each year as assets in a 529 plan opened for an infant beneficiary are likely to remain in the plan for a period of eighteen years or longer, until the beneficiary begins college. This would result in the same assets being subject to an annual fee assessment for nearly two decades.

In addition, it is unclear why the MSRB believes a larger fee assessment for a larger plan is appropriate or necessary. The size of a plan based on assets (which would change

[1] *See* Form 19b-4 filed by the MSRB with the Commission on July 19, 2017, SEC File No. SR-MSRB-2017-05 (the "MSRB Submission"). On August 1, 2017, the SEC published the MSRB's proposal for comment. *See Self-Regulatory Organizations: Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Assess an Underwriting Fee on Dealers that are Underwriters of Primary Offerings of Plans,* SEC Release No. 34-81264; File No. SR-MSRB-2017-05.

based on market action but not necessarily due to account owner activity) has little to no impact on the MSRB's regulatory activity. Larger plans do not necessarily require additional regulation, education, guidance or other activity on the part of the MSRB.

The MSRB has asserted that the size of the assessment would be "de minimus" to the organizations that are charged this fee; however, the fee assessment that the MSRB contemplates represents a significant business expense. The proposed MSRB assessment could also create an unfair competitive advantage to certain 529 plan underwriters that are not MSRB registrants and therefore not subject to the fee. The fee would absolutely add to the cost of doing business and could ultimately negatively impact on the individual who wants to save for college.

Finally, we have read and are in full support of the letter sent by the ICI regarding this proposal.

Sincerely,

Stephen C. Wade

Stephen C. Wade
Chairman