



Government Finance Officers Association
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July 15, 2020

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
104 F Street, NE
Washington, DC 20549

RE: File Number SR-MSRB-2020-04

Dear Secretary Countryman:

The Government Finance Officers Association (GFOA) has commented many times over the years on the Municipal Securities Rulemaking Board's (MSRB/Board) Rule A-3, and more generally on the MSRB's policies and operations. We appreciate the opportunity to do so again, per the MSRB's proposed changes to Rule A-3. The GFOA represents over 21,000 members across the United States, many of whom issue municipal securities and therefore is very interested in the rulemaking conducted in this sector.

Our chief concern related to the proposed amendments to A-3 is issuer representation on the Board. Both the Exchange Act and Rule A-3, state that there must be "at least one" issuer representative on the Board. We remain concerned that the requirement for a single issuer representative does not represent the broad spectrum of issuers in the municipal market. This minimal proposal is especially surprising given issuers represent the hub of the municipal market. To be clear: Without issuers, none of the other parties would exist, and because of this, the voice of the issuer community is essential to ensure robust capital formation within the parameters of the MSRB's regulatory regime.

There are dozens of types of issuers in the public sector, which is what sets the municipal market apart from the corporate securities market. The municipal market is the primary financing vehicle for the country's infrastructure. Cities, counties, school districts, utilities, health care authorities, utility districts, ports, airports, water infrastructure, and the states each have responsibilities to meet the needs of their citizens. While a state level or large government issuer may provide exceptional input on a host of matters that the MSRB is addressing, a state representative may not have the same perspectives and experiences as issuers from smaller entities – which comprise the majority of number of issuers, and vice versa. Each issuers' experience and frequency of access to the capital market differs greatly; likewise, each issuers' disclosure requirements and practices also differs greatly. While with some marketplace participants there are traits that present themselves more uniformly, the issuer community truly is broad in its approach to a municipal securities transaction, and how that is executed.

We urge the SEC to consider the potential systemic challenges of underrepresentation on a Board charged with regulating a complex and diverse market. For a decade now, GFOA has suggested

that if the MSRB Board membership is 15 members, with 8 public members, 3 should be issuers, 3 should be investors, and 2 should be general public members. A greater representation of issuers would ensure continued and more robust focus on improvement of the EMMA system, which is the repository for issuer disclosure documents, and the Board's continued efforts to provide the regulatory framework for broker-dealers and municipal advisors. Likewise, a variety of issuers would help to elevate perspective of the MSRB to achieve a key component of the MSRB's mission, as revised in the *Dodd Frank Act*, which is to protect issuers through the MSRB's rule writing.

We would ask that the SEC not approve the proposed changes to Rule A-3 without increasing the number of required issuer representatives.

GFOA supports proposed other proposed changes to Rule A-3, including the independence standard and separation period, Board terms, nomination and governance committee transparency, publicizing Board member applicant names, and board size.

We very much appreciate the opportunity to comment on this proposed rule change, and our ongoing dialogue with the MSRB on numerous market issues. If we may provide any additional information about issuers and their interaction with the MSRB and the municipal market, please feel free to contact me at [REDACTED] or [REDACTED].

Sincerely,

Handwritten signature of Emily S. Brock in cursive script.

Emily Swenson Brock
Director, Federal Liaison Center