



January 2, 2024

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

RE: MSRB Notice 2023-06; Proposed Rule Change to Establish the 2024 Rate Card Fees for Dealers and Municipal Advisors Pursuant to MSRB Rules A-11 and A-13

Dear Secretary Countryman:

The National Association of Municipal Advisors (NAMA) appreciates the opportunity to comment on the MSRB's proposed Rules A-11 and A-13 changes for rate card fees on municipal advisors and dealers. NAMA represents independent municipal advisory firms and individual municipal advisors (MAs) from across the country and is dedicated to educating and representing its members on regulatory, industry and market issues.

We appreciate and acknowledge the MSRB's important role in municipal advisor and broker-dealer rulemaking and in the development and operation of numerous market data systems, including EMMA. However, the members of NAMA are concerned with the MSRB's approach to budgeting and the rate setting of fees to accommodate its budget.

Last year NAMA submitted a detailed letterⁱ expressing our concerns with the scope of the MSRB's work, the SEC's lack of oversight of EMMA, and we questioned expenses that lead to the MSRB's expanded budget. Those concerns remain in place again this year especially as the MSRB's total budget has increased 4.8%, and the MA fee increase is set at 9%, as indicated in this filing.

In a letter we submitted this year together with ASA, BDA, and SIFMA — we all note that it is difficult to know if MSRB fees are set at a reasonable rate (a MSRB responsibility within SEC Rule 15B) when the MSRB's budget is so opaque. This year that is especially true with the MSRB's emphasis on technology systems.

It is vital that the MSRB have adequate funding to run EMMA, a repository for municipal securities disclosure documents, and other systems that facilitate the trading and information related to municipal bonds. Nearly all market participant organizations came together in 2008 to support having the MSRB run a single repository to replace a cumbersome and arcane multiple NRMSIR system. Yet, again as we noted last year, a system that was to serve solely as a repository (the submission and retrieval of municipal securities disclosure documents) and estimated to cost less than \$1 million a year, has ballooned significantly over the past 15 years. Further, we continue to make the case that many EMMA features go beyond that of a repository, leading to additional costs. We continue to call on the SEC and the MSRB to address whether the MSRB's development of EMMA has extended beyond its initial role and authority as a repository for municipal disclosure documents.

NAMA also requests that the MSRB provide market participants with specific and detailed cost information related to its vital information systems as well as the costs related to other projects within the MSRB's congressional mandate to the MSRB and further allowed by SEC rulemaking. We also reiterate our request that the same cost information be made available for projects that are outside of the Congressional mandate. There is insufficient detail within the budget to allow regulated parties (who pay for these activities) the opportunity to appropriately evaluate, address or question the fees assessed to meet the MSRB's budget needs.

A good first step would be for the MSRB to readdress its budget process. First, identify the costs of the MSRB's core services, and then identify the estimated revenues. The budget should then be developed within those limits, with a specific focus on its mandated responsibilities. Additionally, discussions with the MSRB, SEC and market participants should:

- have the MSRB provide additional information on additions or changes to EMMA, and have that process include public comment and SEC approval;
- provide a better understanding of EMMALabs especially related to the projects chosen and the costs for each of these "labs";
- discuss costs for other technology initiatives within EMMA, other market systems and the MSRB's own web site; and
- look for areas where the MSRB may be able to curtail its overall spending to meet its self determined budgetary needs, rather than place that funding responsibility on regulated entities.

There has neither been sufficient detail or cost information regarding the decision making process on which projects are undertaken and how those projects fulfill the MSRB's Congressional mandate. This lack of transparency and perceived lack of accountability has created a troubling environment. It also calls into question whether the key function of the MSRB, to develop rules and guidance for municipal advisors and broker-dealers, is appropriately funded. For instance, it has been fourteen years since the passage of the Dodd-Frank Act and there are still MSRB Rules and guidance that have not been updated to reflect that municipal advisors are regulated entities.

MAs will pay nearly 400% more in fees from when MSRB fees were first assessed (from \$300 in 2014 to \$1160 in 2024). While MAs accept the responsibility for paying a percentage of the MSRB's budget, a comprehensive look at the MSRB's total budget and expenditure numbers needs to be addressed so that MAs can better consider and determine if MA fees are reasonable.

Thank you for the opportunity to comment on this important matter.

Sincerely,



Susan Gaffney
Executive Director

ⁱ <https://www.sec.gov/comments/sr-msrb-2022-06/srmsrb202206-20137789-308118.pdf>