

July 2, 2012

VIA ELECTRONIC MAIL

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, VA 22314

RE: MSRB Notice: 2012-29: Request for Comment on Elimination of Large Trade Size Masking on Price Transparency Reports

Dear Mr. Smith:

Bond Dealers of America (BDA) is pleased to submit this letter in response to the Municipal Securities Rulemaking Board's (MSRB) Notice: 2012-29 (Notice), which solicits comment on enhancing the transaction data publicly disseminated in real-time by including the exact par value on all transactions disseminated from the MSRB Real-Time Transaction Reporting System by eliminating large trade size masking. BDA is the only DC based group representing the interests of securities dealers and banks focused on the U.S. fixed income markets. We welcome this opportunity to state our position.

One of the BDA's most important policy priorities, as we have expressed to the MSRB in the past, is to improve transparency within the municipal markets. We believe that the municipal markets would benefit from being able to access enhanced transaction data that includes large trade sizes as well as small trade sizes. We believe that the importance of increased transparency within the municipal markets and, more importantly, certainty that all investors are making their decisions with the same set of information, outweighs concerns from institutional investors concerning the anonymity of their trades. But we do observe that institutional investors (who account for a large amount of the trading in the municipal markets) may materially alter their trading practices if the effect of finalizing the Notice is to compromise their proprietary information and this may prove disruptive to the municipal markets. Accordingly, while we do support increased transparency, we encourage the MSRB to weigh the input from institutional investors carefully in finalizing the Notice to be sure that increased transparency does not come with the cost of unintended and unnecessary consequences.

Thank you again for the opportunity to submit these comments.

Sincerely,



Michael Nicholas  
Chief Executive Officer