

Board of Directors, 2005-2006

Gary P. Machak, Chairman
RBC Capital Markets

Drew K. Masterson, Vice Chairman
First Southwest Company

Mark M. McLiney, Immediate Past Chairman
Southwest Securities

Nora W. Chavez
A.G. Edwards & Sons, Inc.

David B. Cisarik
Coastal Securities



Patrick J. Fox
UBS Securities LLC

Deborah S. Jones
Morgan Keegan & Company, Inc.

Mark A. Seal
M.E. Allison & Co., Inc.

Duane L. Westerman
SAMCO Capital Markets

Chris B. Whitlock
Citigroup Corporate and Investment Banking

Executive Director
Dan A. Black

September 14, 2006

Mr. Ernesto A. Lanza
Senior Associate General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia. 22314

RE: MSRB Request for Comment on: Application of "Access Equals Delivery" Standard to Official Statement Dissemination for New Issue Municipal Securities

Dear Mr. Lanza:

The Municipal Advisory Council of Texas ("Texas MAC") appreciates this opportunity to comment on the feasibility of a central repository in connection with proposals of the MSRB, Notice 2006-19, issued on July 27, 2006 ("Notice"). Texas MAC is a 501(c)(6) not-for-profit, tax exempt organization governed by a ten-member Board of Trustees. Our membershipⁱ is comprised of 71 national and regional broker-dealer firms. In 1995, we were the first in the country to be designated as a State Information Depository pursuant to SEC Rule 15c2-12. In 2003, Texas MAC was selected by Muni Councilⁱⁱ to develop and operate the Central Post Office ("CPO"), a website known as DisclosureUSA.org that enables issuers to meet the filing requirements of SEC Rule 15c2-12 by means of a single filing location. In 2004, the SEC issued an Interpretive Letter authorizing the use of DisclosureUSA by issuers of municipal securities and others who make secondary market disclosure filings.

MUNICIPAL ADVISORY COUNCIL *of* TEXAS

P.O. Box 2177 • 78768-2177 • 600 West 8th Street, Austin, Texas 78701 • (512) 476-6947 • FAX (512) 476-6403
www.mactexas.com • mac@mactexas.com • www.DisclosureUSA.org

Access Equals Delivery and EDGAR

The Notice discusses possible application of the “access equals delivery” standard for the delivery obligations under MSRB Rules G-32 and G-36, which would be modeled on SEC reforms of prospectus delivery obligations for registered offerings. The SEC’s criteria for an “access equals delivery” standard are that the information be “readily available” and free of charge to investors. The SEC’s own system, EDGAR meets these requirements, and EDGAR provides a useful guide for considering the adequacy of a repository for the municipal securities market. Several aspects of the EDGAR system are worth noting:

- The SEC has a management contract with Northrop Grumman for information technology services in connection with document imaging.
- EDGAR combines access to both primary market and secondary market information.
- EDGAR provides archives for investor access to dated materials.
- While EDGAR filings are accessible free of charge, the SEC permits Northrop Grumman to provide subscribers a dissemination service, for a fee, to facilitate automatic real-time transmission of all public filings received by EDGAR, and related services.
- The SEC charges a fee to persons making filings.
- Only documents submitted to the EDGAR system in either plain text or HTML are official filings. PDF documents are unofficial copies of filings. Filers may not use the unofficial PDF copies instead of plain text or HTML documents to meet filing requirements.

Centralized Access to Electronic Official Statements

The Notice requests comment on alternative means for centralized access to electronic official statements and mentions the option of either a central directory of official statements that would direct the investor to another site to access the document or a centralized internet website where official statements are directly available.

We do not believe the “central directory” option, with the actual hosting of the electronic official statement occurring by multiple parties, meets the “readily available” standard for the following reasons:

- The investor would first be required to search the central directory for the correct official statement, then access the website where the official statement is located, and conduct a second search on that site where the official statement may or may not be easily found.
- Monitoring multiple websites is time consuming and confusing for the investor.
- The decentralized sites will vary considerably in their search characteristics and may not be user friendly.

We agree with the MSRB that the “centralized internet website” option is the best alternative for the following reasons:

- It is easier for the investor to go to one site.
- The investor will only need to be familiar with one search mechanism.
- It is easier for regulators to monitor one site to verify the availability of official statements than to monitor multiple sites.
- Since the SEC’s EDGAR meets the “access equals delivery” standard, it is wise to follow its centralized website model.

CPO as Option to Host Centralized Internet Website

We believe the Texas MAC, which created and operates the CPO as the single filing location for secondary market disclosure documents filed pursuant to SEC Rule 15c2-12, is a better alternative to host the centralized internet website for primary market filings than the MSRB for the following reasons:

- The CPO website was created for uploading documents, including official statements, and attaching indexing information for easy search and retrieval. It is the appropriate platform and is already operational. The MSRB does not need to incur the costs of creating and developing a redundant platform.
- The CPO website has a proven track record evidenced by over 85,000 documents filed and processed in its first two years of operation and is operational 24/7/365 with a uptime history of 99.99%

- The CPO website could become the single location for investors to access primary market documents and secondary market filings comparable to EDGAR.
- The CPO website is in a position to make relatively simple modifications to make the official statements and other documents required to be filed under Rule G-36 readily available to investors free of charge.
- The CPO website has a filing index searchable by CUSIP Number, Issuer Name, Issuer State and Filing Number. Additional search criteria such as Underwriter can be easily added.
- The CPO website has the capacity to receive and post amended official statements and link the amendments to the applicable official statement.
- The CPO website has archiving capabilities.
- The CPO website provides filers with electronic return receipts as evidence that their filing was received.
- The CPO website currently has straight through processing with the four NRMSIRs and three SIDs and can easily be adapted to include other locations required to receive the official statements such as the MSRB.

The CPO would also have the capacity to archive official statements and other disclosure documents filed at the CPO. Texas MAC believes a central repository should provide access to official statements beyond the new issue disclosure period of 25 days after closing, as required by Rule G-32, because official statements retain their importance throughout the life of the bonds. There are important aspects of official statements that should be capable of being accessed long after the fiscal year of the financial statements. Redemption provisions, document summaries and many other features of disclosure in public finance retain their materiality until final maturity. Advance refunding documents filed pursuant to Rule G-36 are also material until refunded bonds are paid. We note that EDGAR has archives.

The MSRB requests comment on whether submission to the central repository should be made solely as portable document format (PDF) files. PDF is the industry standard and we believe it is the best format currently available. The system should be able to adapt to new document formats that replace PDF as the industry standard.

The MSRB requests comment on whether dealers should be able to assume that an electronic official statement is available for a qualifying issue without inquiry. We do not believe further dealer inquiry is necessary because the CPO sends return receipts to its filers. These receipts would serve as documentation for the dealer and proof that the dealer met its obligation to file.

Regulatory Oversight and Fees

The administration of EDGAR by Northrop Grumman is pursuant to a contract between the SEC and Northrop Grumman. Oversight of the CPO in order to assure the requirements of Rule G-32 and Rule G-36 are met and for purposes of assuring market efficiencies (such as straight through processing) can be achieved by a contract between the MSRB and Texas MAC.

The contract would presumably describe the means of financing the expenses to adapt and operate an “access equals delivery” platform. Possibilities could include:

- The MSRB pays the Texas MAC from the savings realized by not having to scan official statements filed under Rule G-36.
- Filing fees paid to Texas MAC from the savings realized by dealers not having to deliver paper official statements and from issuers not having to incur printing costs.
- A subscription fee paid by vendors for real-time transmission of official statements.

We appreciate your consideration of our views regarding the implementation of an electronic system of primary market disclosure in the municipal securities market.

Sincerely,



Gary P. Machak
Chairman MAC Board of Trustees

ⁱ Texas MAC Membership Roster

A.G. Edwards	LaSalle Financial Services, Inc.
M. E. Allison & Co., Inc.	Lehman Brothers
AmSouth Investment Services, Inc.	Loop Capital Markets LLC
Apex Pryor Securities/Rice Financial Products	Louis Pauls & Company
The Baker Group	Merrill Lynch
Banc of America Securities LLC	Miller Johnson Steichen Kinnard Inc.
Bear Stearns & Company	Morgan Keegan & Co., Inc.
Bernardi Securities, Inc.	Morgan Stanley
BOSC, Inc.	The Northern Trust Securities, Inc.
Cabrera Capital Markets, Inc.	Oppenheimer & Co. Inc.
Calton & Associates	Performance Trust Capital Partners
Capital West Securities	The PFM Group
Caprock Securities, Inc.	Piper Jaffray & Co.
Carty & Co., Inc.	Popular Securities, Inc.
Citigroup Corporate and Investment Banking	Ramirez & Co. Inc.
Coastal Securities	Raymond James & Associates, Inc.
Comerica Securities	RBC Capital Markets
Consolidated Financial Resources, Inc.	SAMCO Capital Markets
Crews & Associates, Inc.	SBK-Brooks Investment Corp.
Duncan-Williams, Inc.	Siebert Brandford Shank & Co.
Edward Jones & Company	Southwest Securities
Estrada Hinojosa & Co., Inc.	Southwestern Capital Markets Inc.
First Albany Capital Inc.	Stephens, Inc.
First Southwest Company	Stifel Nicolaus & Company, Inc.
Frost National Bank	Stoever Glass & Company
FTN Financial	SunTrust Capital Markets
George K. Baum & Company	TIB-The Independent Bankers Bank
The GMS Group, Inc.	UBS Securities LLC
Goldman Sachs	Vining Sparks
Government Capital	Wachovia Securities LLC
Harris N.A.	Walton Johnson & Company
H & R Block Financial Advisors Inc.	Weller, Anderson & Co., Ltd.
Hutchinson Shockey Erley & Co.	Wells Fargo Public Finance
Jackson Securities	Wells Nelson & Associates, LLC
JPMorgan Chase Bank	Zions First National Bank
Kinsell, Newcomb & De Dios, Inc.	

ⁱⁱ The Muni Council is an informal group of 18 organizations representing all aspects of the municipal bond industry. The organizations comprising the Muni Council are as follows:

American Bankers Association	National Association of Bond Lawyers
American Bar Association – Section of State and Local Government Law	National Association of Independent Public Finance Advisors
American Institute for Certified Public Accountants	National Association of State Auditors, Comptrollers and Treasurers
CFA Institute (formerly the Association for Investment Management and Research)	National Council of Health Facilities Finance Authorities
Council of Infrastructure Financing Authorities	National Association of State Treasurers
Government Finance Officers Association	National Council of State Housing Agencies
Healthcare Financial Management Association	National Federation of Municipal Analysts
Investment Counsel Association of America	Regional Municipal Operations Association
Investment Company Institute	The Bond Market Association