

# STANDARD & POOR'S

**CUSIP** Service Bureau, 55 Water Street, 45<sup>th</sup> Floor, New York, NY 10041

May 1, 2007

Mr. Justin R. Pica  
Uniform Practice Policy Advisor  
Municipal Securities Rulemaking Board  
1900 Duke Street Suite 600  
Alexandria, VA 22314

Re: Comment Letter on MSRB Notice 2007-10, Proposed Rule Changes to Improve Transaction Reporting of New Issue Municipal Securities (Rule G-34)

Dear Mr. Pica,

The CUSIP Service Bureau (“CSB”) welcomes the opportunity to comment on the draft amendments to MSRB Rule G-34, CUSIP Numbers and New Issue Requirements. As the CSB is often one of the first recipients of new issue information, we recognize the importance of the CUSIP assignment within the overall new issue process.

To that end, the CSB has always encouraged industry participants to apply for CUSIP numbers as early as possible when bringing securities to market. The CSB therefore supports the proposed G-34 rule change for underwriters to submit CUSIP applications within one business day after the dissemination of the Preliminary Official Statement (“POS”). Also, the CSB recommends that G-34 be amended to require underwriters to send the final Official Statement to the CSB after sale in addition to the documentation for CUSIP applications currently required in subparagraph (a)(i)(B) of the rule.

The CSB supports the proposed G-34 change to accelerate the time when underwriters must apply for CUSIP numbers from around the time of pricing to when the POS is available, which is much earlier in the new issue process. Under current G-34 guidelines for negotiated sales requiring underwriters to apply to the CSB so that CUSIP numbers are assigned prior to the time the bond purchase agreement is signed, underwriters will frequently wait until pricing when the maturity schedule has been finalized and no longer subject to change before applying for CUSIP numbers. However, CUSIP numbers can be assigned well before pricing if a POS is available with the maturity schedule. Also, any maturity date changes before final pricing are updated in the CUSIP service and transmitted to underwriters soon after the CSB is notified.

Even though the CSB provides Express Service in which CUSIP numbers are assigned within one hour, the proposed G-34 change for underwriters to apply to the CSB soon after the POS is disseminated would facilitate the timely availability of new CUSIP numbers to the municipal securities industry. Continuing with the current requirement for underwriters to apply for CUSIP numbers just prior to the signing of the bond purchase agreement leaves a very short time frame to assign CUSIP numbers by the time of formal award, which is required for NIIDS to start the dissemination of new issue information.

For competitive deals, the CSB similarly supports the proposed G-34 change for underwriters to apply for CUSIP numbers within one business day after the dissemination of the POS or Notice of Sale. Underwriters may apply for CUSIP numbers on competitive deals before the sale date without being charged and the CUSIP assignment fee will be charged to the winning bidder on the sale date. Most competitive deals are assigned CUSIP numbers before the sale date and before the underwriter applies or may be aware that CUSIP numbers have been assigned.

Furthermore, the CSB recommends that Rule G-34 include a new subparagraph following subparagraph (a)(i)(B) that the underwriter who applied for CUSIP numbers be required to follow-up with the final terms of an offering after the sale by sending the final Official Statement to the CSB within one business day after the Official Statement is disseminated. Submission of the final Official Statement would be the final step in the CUSIP assignment process and separate from the initial CUSIP application pursuant to subparagraphs (a)(i)(A) and (a)(i)(B). The CSB requires the final Official Statement as the primary source to finalize securities information on the CUSIP service.

The CSB appreciates the MSRB's consideration of our comments on the proposed Rule G-34 changes to facilitate continued timely CUSIP number assignment and dissemination to the municipal securities industry.

Sincerely,

Gerard Faulkner  
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Standard & Poor's  
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cc: Mary Beth McCrory, Chairperson, CUSIP Board of Trustees  
Diane Poole, Group Director, American Bankers Association

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