

---

**Municipal  
Solutions, Inc.**  
Municipal Financial Advisors

---

May 28, 2019

Mr. Robert Smith  
MSRB Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street, N.W. – Suite 1000  
Washington, DC 20005

Re: MSRB Notice 2019-08/Rule G-34

Dear Mr. Smith,

I am the President of Municipal Solutions, Inc., an independent municipal advisory firm, located in upstate New York. I welcome the opportunity to comment on the MSRB's request for comments related to Rule G-34 requirements that Municipal Advisors (MAs) obtain CUSIP Numbers when providing advisory services to clients in competitive sales.

After operating under the MSRB CUSIP mandate since 2018 our firm has had practical experience with the CUSIP requirements and we would like to take this opportunity to offer first-hand knowledge and instances where we see that MA CUSIP requirements have resulted in more staff time and efforts for no meaningful benefit to the municipal bond market. Indeed, we have first hand knowledge of issues where orphan CUSIP numbers remain active for bank loans where CUSIP numbers were requested prior to a bond or BAN sale as required by the rule but were never revoked even though the CUSIPs were requested to be canceled.

In my view the MA CUSIP requirement was a solution to a problem that never existed. Prior to the 2018 effective date of revised Rule G-34 requiring all MAs obtain CUSIP numbers in competitive sales, in my over 25 years in the independent municipal advisory profession, I am not aware if any instances where municipal securities could not be sold because CUSIP numbers had not been assigned.

I am not aware if any instance where returning to the pre-2018 MSRB regulations would have negative implications to the municipal market participants or investors.

Since the rule I am aware of duplicate CUSIP numbers being issued for the same transaction, given the fact that even when an MA has obtained CUSIPs as required by the rule, the winning bidder for the transaction requests their own CUSIP numbers using the Express system. In addition, we have had five bond sales so far between June 2018 and today that we have requested CUSIPs that have needed to be canceled after the sale. In all cases the CUSIPs are still showing up on EMMA, even though we had them canceled. This is sure to cause a lot of confusion and lost time trying to figure these phantom CUSIPs out in the future.

---

*Municipal Solutions, Inc. is a Member of the National Association of Municipal Advisors  
and a New York State Certified Women-Owned Business Enterprise*

62 Main Street, Leroy, NY 14482 Phone: 585-768-2136 Fax: 585-768-2133  
2528 State Route 21, Canandaigua, NY 14424 Phone: 585-394-4090 Fax: 585-394-4092  
[www.municipalsolution.com](http://www.municipalsolution.com)

Also, for any of our BAN sales, we are submitting the requests for CUSIPs at the time we disseminate the Notices of Sale. However, the CUSIP bureau will not assign a number for note issues until after the BAN has been sold. By that time the underwrites are resubmitting a request for a number to be assigned on their own, independent of our request (typically using CUSIPs Express service).

In my opinion the MA mandate has not contributed any significant improvements to the pre-existing environment that worked well for so many years and has created duplicate work for the MAs and muddied the waters for all market participants.

Though the CUSIP bureau would like us to complete an on-line application, we have been adding them to our pre-sale distribution list, which contains the same and more information as the on-line application to save time and costs to our clients. The CUSIP bureau is sending us follow-up emails to provide pricing information to them after the sale (when previously the purchaser would usually provide this information directly). So, we end up sending an additional email to the CUSIP bureau after the sale with the purchaser's information and the purchaser's contact information for billing, which I have a hunch is probably also duplication from information that the purchaser would be providing to CUSIP when they are submitting their Express assignment online.

Also, because the CUSIP bureau does not keep track of the actual sale dates we receive multiple requests for pricing information that we must open-up, read and respond back many times over for the same transaction. Not that time-consuming but frustrating for staff.

All told, I feel all MAs, whether independent or dealer MAs, should be exempted from the burdensome, confusing, unproductive and time-consuming requirement that adds costs to a transaction with no benefit to the purchaser or investor community and not to mention the existence of phantom CUSIPs issued for bank purchases that are going to hang around and cause confusion for years to come.

The administrative and economic burdens imposed on MAs for no benefit to our clients nor investors, and the possible continuing secondary market concerns must be taken into consideration in your regulation review process. This is a classic, if it's not broke don't fix it situation.

As I stated above, there was no problem obtaining CUSIP numbers before revised Rule G-34 became effective.

Thank you for the opportunity to respond to this very worthwhile effort to review a regulation that offers no benefit to issuers, the market or municipal advisors.

Sincerely,



Jeffrey R. Smith, President  
Municipal Solutions, Inc.