

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63089; File No. SR-MSRB-2010-09]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change Consisting of Fee Changes to Its Real-Time Transaction Price Service and Comprehensive Transaction Price Service, and Termination of Its T+1 Transaction Price Service

October 13, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“the Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 30, 2010, the Municipal Securities Rulemaking Board (“Board” or “MSRB”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The MSRB has filed with the Commission a proposed rule change relating to the MSRB’s Real-time Transaction Reporting System (“RTRS”). The proposed rule change consists of fee changes to the MSRB’s Real-Time Transaction Price Service and Comprehensive Transaction Price Service of RTRS and the consolidation into the Comprehensive Transaction Price Service of its existing T+1 Transaction Price Service. In addition, the proposed rule change would change the name of the Real-Time Transaction Price Service to the “MSRB Real-Time Transaction Data Subscription Service” and would change the name of the Comprehensive Transaction Price Service to the “MSRB Comprehensive Transaction Data Subscription Service.” The MSRB proposes an effective date for this proposed rule change of January 1, 2011.

The text of the proposed rule change is available on the MSRB’s Web site at <http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2010-Filings.aspx> and at the Commission’s Public Reference Room.

#### II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

In January 2005, the MSRB commenced operation of RTRS, also known as the “Transaction Data Program,” and its Real-Time Transaction Price Service providing a real-time stream of data representing municipal securities transaction reports made by brokers, dealers and municipal securities dealers (“dealers”) to RTRS, with an annual subscription fee of \$5,000.<sup>3</sup> The MSRB proposes to rename the Real-time Transaction Price Service as the “MSRB Real-Time Transaction Data Subscription Service” (the “Real-Time Service”) and to increase the annual subscription fee for the Real-Time Service from \$5,000 to \$10,000 beginning on January 1, 2011.<sup>4</sup>

The Comprehensive Transaction Price Service currently consists of a T+5 Report of transaction data five business days after trade date and a T+20 Report of transaction data 20 business days after trade date. The MSRB proposes to rename the Comprehensive Transaction Price Service as the “MSRB Comprehensive Transaction Data Subscription Service” (the “Comprehensive Service”) and to increase the subscription fee for the Comprehensive Service from \$2,000 annually to \$5,000 annually effective January 1, 2011.<sup>5</sup> Additionally, the MSRB proposes to consolidate the free T+1 Transaction Price Service into the

<sup>3</sup> See Exchange Act Release No. 50820 (December 8, 2004).

<sup>4</sup> The MSRB could, in its discretion, waive the Real-Time Service subscription fee for not-for-profit organizations, academic institutions, or other entities or persons who desire the service for non-profit or research purposes.

<sup>5</sup> As with the Real-Time Service, the MSRB could, in its discretion, waive the Comprehensive Service subscription fee for not-for-profit organizations, academic institutions, or other entities or persons who desire the service for non-profit or research purposes.

Comprehensive Service and to terminate the separate T+1 Transaction Price Service as of December 31, 2010. As amended and consolidated, the Comprehensive Service will continue to be made available through electronic file download over the internet, and it will include three reports: Transaction data one business day after the trade (T+1), transaction data five business days after the trade (T+5), and transaction data twenty business days after the trade (T+20).

The MSRB continues to encourage information vendors—and various other entities that make securities data available to members of the securities industry and the public—to use the transaction data in their products and services and permits those parties to re-disseminate the data, either in its original form or with enhancements to address the specific needs of specific data users. To this end, subscribers may (i) use the data for their internal business purposes; (ii) re-disseminate the data to their customers, clients and system users; and/or (iii) re-disseminate the data in other products or services that they offer to their customers, clients and system users, subject to certain terms and limitations, including those relating to proprietary and intellectual property rights of third parties in information provided by such third parties that is made available through the subscription.

The purpose of the proposed rule change is to assess commercially reasonable fees for MSRB data services that will partially defray the costs and expenses of operating and administering MSRB market information programs. The MSRB has not increased the cost of the Real-Time Service since it was implemented approximately six years ago. Moreover, prior to January 2005, the MSRB offered, among other reports, two delayed transaction reports (the Inter-Dealer Report and the Combined Report) for \$15,000 each. The proposed subscription fee for the Real-Time Service is less than either of these delayed transaction reports offered prior to January 2005. The MSRB has not increased the cost of the Comprehensive Service since November 2001, when it was introduced as the Daily Comprehensive Report.

The proposed rule change is needed to help bring the Board’s revenues more closely in line with expenditures and to help ensure that subscription fees and revenues are reasonable. Currently, the Real-Time Service generates revenue of approximately \$220,000 annually, and the Comprehensive Service generates revenue of approximately \$48,000 annually. No revenue is generated by

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

the T+1 Transaction Price Service. Consequently, all three services generate less than \$300,000 of revenue per year. The cost of operating MSRB market information programs has been increasing annually. Fee revenue obtained through these subscription services covers only a small portion of RTRS operating costs. Even with the proposed increases, the MSRB does not expect subscription fees to cover more than a relatively small percentage of program costs.

## 2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(j) of the Act,<sup>6</sup> which requires, in pertinent part, that the MSRB's rules shall:

Provide that each municipal securities broker and each municipal securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board. Such rules shall specify the amount of such fees and charges.

The proposed rule change provides for commercially reasonable fees to partially offset costs associated with operating RTRS and producing and disseminating transaction reports to subscribers.

### B. Self-Regulatory Organization's Statement on Burden on Competition

The Board does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act since it would apply equally to all market participants that chose to subscribe to the services.

### C. Self-Regulatory Organization's Statement on Comments Received on the Proposed Rule Change by Members, Participants, or Others

Written comments were neither solicited nor received on the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2010-09 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2010-09. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the MSRB's offices. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2010-09 and should be submitted on or before November 8, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Florence E. Harmon,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63086; File No. SR-MSRB-2010-03]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change Relating to Amendments to the Continuing Disclosure Service of the MSRB's Electronic Municipal Market Access System (EMMA)<sup>®</sup>

October 13, 2010.

## I. Introduction

On May 20, 2010, the Municipal Securities Rulemaking Board (the "MSRB") filed with the Securities and Exchange Commission (the "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA") to provide for the posting of credit rating information on the EMMA public Web site. The proposed rule change was published for comment in the **Federal Register** on June 2, 2010.<sup>3</sup> The Commission received two comment letters regarding the MSRB's proposed rule change.<sup>4</sup> The MSRB responded to these comment letters in a letter dated September 16, 2010.<sup>5</sup> This order approves the proposed rule change.

## II. Background and Description of Proposal

The proposed rule change would amend the EMMA continuing disclosure service to provide for the posting of

<sup>7</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 62175 (May 26, 2010), 75 FR 30892.

<sup>4</sup> See letter from Deven Sharma, President, Standard & Poor's Ratings Services ("S&P"), to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2010 ("S&P Letter") and letter from Susan Gaffney, Director, Federal Liaison Center, Government Finance Officers Association ("GFOA"), to Elizabeth M. Murphy, Secretary, Commission, dated July 23, 2010 ("GFOA Letter").

<sup>5</sup> See letter from Ernesto A. Lanza, General Counsel, MSRB, to Elizabeth M. Murphy, Secretary, Commission, dated September 16, 2010 ("MSRB Letter").

<sup>6</sup> 15 U.S.C. 78o-4(b)(2)(j).