



September 15, 2003

Mr. Harold L. Johnson
Deputy General Counsel
Municipal Securities Rulemaking Board
1900 Duke Street
Suite 600
Alexandria, Virginia 22314

Re: MSRB Notice 2003-23: Plan for Real-Time Price Reporting

Dear Mr. Johnson:

The Asset Managers Forum ("AMF") appreciates the opportunity to comment on MSRB Notice 2003-23: Plan for Real-Time Price Reporting ("Notice"). The AMF, an independent affiliate of The Bond Market Association, represents the buy-side with respect to major securities processing, market practices, compliance and accounting initiatives. The membership of the AMF includes over 40 major investment management firms with a combined NAV in excess of \$8 trillion of assets under management.

The AMF is writing to comment on the Notice from the perspective of investment managers who invest in municipal bonds directly and serve as fund managers for mutual funds with significant municipal bond holdings. The AMF supports increased transparency in the fixed income markets, and recognizes the potential benefits of increased accuracy and efficiency with respect to bond valuations and enhanced ability to see where bonds are trading at any given time. While we are generally supportive of the MSRB's efforts to improve price transparency in the municipal securities market, we have concerns related to the impact on the liquidity of certain municipal securities and the operational impacts related to reporting trades within 15 minutes.

Impact on Liquidity

Consistent with the views expressed by The Bond Market Association ("BMA") in their letter dated September 12, 2003, the AMF supports real-time price dissemination for all municipal bonds that are rated "A" or higher. In addition, we support the dissemination of price information for all trades of \$1 million or less, regardless of the rating of the security being traded. We feel that the dissemination of price information for these two categories of trades will not have a material adverse effect on the liquidity of the products being reported.

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With respect to trades of over \$1 million in securities rated "BBB" or lower, the AMF is concerned that real-time dissemination of price information may compromise the liquidity of these securities. We therefore support the recommendation of the BMA that a comprehensive study be conducted of the liquidity impacts of price dissemination for trades in this category.

Implementation Concerns

While only the submission of block level trade information will be required by the Real-time Transaction Reporting System, we anticipate that in the future asset managers will be required to provide sub-account allocations for their fixed income trades within the 15 minute window described in the Notice. This evolution will take place in the normal course of business, enabled by various allocation automation solutions that might be developed by the vendor community. In fact, we already know of some attempts by major technology vendors to develop automation solutions for smaller asset managers. However, 15 minute reporting of allocations would involve relatively costly systems changes at buy-side firms regardless of the availability of automated allocations solutions.

It is therefore our recommendation that the MSRB and/or the SEC conduct a cost/benefit analysis concerning the automation of the allocation process in connection with customer trades, taking into account the diverse methods by which asset managers may choose to communicate with their counterparties. While we realize that allocations within 15 minutes will not be required under MSRB rules, we feel that careful consideration of this issue is warranted in advance of the promulgation of any rules relating to the real-time reporting of institutional fixed income securities transactions. The AMF would welcome the opportunity to help provide relevant input to appropriate regulatory officials with regard to this suggested cost/benefit analysis work.

Conclusion

We appreciate the opportunity to comment on this Notice, and welcome any questions you may have about our views. Please do not hesitate to contact the undersigned at 646.637.9269 or kjuster@bondmarkets.com should have any questions.

Sincerely,



Kenneth Juster
Executive Director
The Asset Managers Forum