

January 27, 2025

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Dear Mr. Smith,

Public Resources Advisory Group, Inc. ("PRAG") appreciates the opportunity to provide feedback in regards to the MSRB's Request for Information on the MSRB's Rate Card Process. The Request for Information addresses a range of topics concerning both Dealers and Municipal Advisors. PRAG is an independent Municipal Advisor and will limit our comments to the issues contained in "B. Rate-Setting Process for Municipal Advisors" and "C. Fee Distribution Across Regulated Entities."

B. Rate-Setting Process for Municipal Advisors

PRAG believes that the current process of an annual assessment for each covered professional is fair, appropriate and reasonable. The current process minimizes record keeping requirements, ensures that all municipal advisors contribute to the costs of MSRB's operations, and results in a methodology in which larger firms pay a larger share of the overall fees.

The MSRB should not consider an activity-based fee structure for municipal advisors because of the broad range of services a municipal advisor provides and the variety of ways in which a municipal advisor is compensated for the services it provides. Such compensation may include retainers, hourly fees with and without caps, project-based fees and transactional based fees which could include minimums, maximums and graduated scales based on issue size. An activity-based fee structure would impose new and burdensome tracking requirements to identify specific activities provided and would also place a burden on regulators when evaluating compliance with the payment of fees. In addition, a municipal advisor may provide certain activities that do not result in an issuance of municipal securities.

We do not believe there is an alternative model to assess municipal advisors fee on any metric other than the number of covered professionals that would be as fair, appropriate, and sustainable. The benefits of the current fee structure include:

- Ease of determination for municipal advisors and regulators;
- Fairness in that all municipal advisors support the budget of the MSRB and larger firms contribute a greater percentage of the overall fee; and,
- Reduces the correlation between market activity and the fees paid to the MSRB, thereby reducing the volatility of the MSRB's revenues.



C. Fee Distribution Across Regulated Entities

The current practice of determining the amount of municipal advisor fees as a percentage of the MSRB's budget and allocating the municipal advisor portion based on the number of covered professionals is appropriate and results in a reasonable sharing of expenses between dealers and municipal advisors based on total revenues generated by dealers and municipal advisors from municipal securities activities. We understand that the MSRB spent a considerable amount of time on this issue when developing the Rate Card and we do not believe market conditions have changed in any way that would warrant a different methodology.

Thank you for the opportunity to provide this feedback as you evaluate the rate card process.

Best Regards,
PUBLIC RESOURCES ADVISORY GROUP, INC.

By: 
Thomas F. Huestis, Senior Managing Director