

SEATTLE-NORTHWEST
SECURITIES CORPORATION

*The Region's Premier Investment
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October 13, 2003

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

Re: Comments Related to Implementation Plan for Real-Time Trade Reporting and
Dissemination as outlined in MSRB Notice 2003-23

Dear Mr. Johnson:

Seattle-Northwest Securities Corporation ("SNW") is submitting this letter in response to your request for comments regarding Real-Time Trading Reporting. SNW commends the MSRB for working to make the Real-Time Reporting initiative one that will have a positive impact on the bond market.

As the Pacific Northwest's largest independent municipal bond underwriter and broker-dealer, SNW is keenly interested in the proposed real-time reporting changes, because they will have a significant impact on our business and our clients. This impact undoubtedly will be felt through increased operational complexities and expenses, and may also be felt in the distribution of new issue bonds from our underwritings.

As you may know, SNW is a self-clearing underwriter and broker-dealer, which is regularly in the market with new issue products, all of which bear multiple maturities. The new issues we bring to market provide the financial foundation for K-12 school projects and basic infrastructure, i.e., water, transportation, sewers, etc, throughout Washington, Oregon, and Idaho. SNW has been bringing these small and larger issue Pacific Northwest clients to market for over thirty years.

We are in the market as frequently as two to three times a week, sometimes with two new issue transactions per day and often for small issue clients with under \$5 million transactions. For example, in the third quarter of this year, SNW underwrote 60 new issues. The total par amount was \$399,576,000, with an average deal size of \$6,659,000. What is critical to understand is that, from the perspective of our small back office staff, these 60 new issues represented 1,835 separate transactions.

With respect to our comments on the proposed Rule, we generally support the comment letters issued by The Bond Market Association dated September 11 and 12, 2003. Specifically, we are in complete agreement that new issue and short term debt instruments should be exempt from the 15-minute time frame. The consequence of not exempting new issue product is extreme.

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There is no question that our back-office staff is dedicated and extremely hard working. But compliance with real time reporting for 1,835 transactions in the course of any given quarter would be physically impossible. If imposed on new issues, the Rule would force SNW either to be out of compliance or to substantially increase staff solely to try to be in compliance. Not only would that increased staff have no work to fill the down time, but SNW's increased costs could render SNW unable to compete with larger national entities which can spread increased staffing costs over a back office supporting national, not regional, transactions. We do not believe that an unintended consequence of Real Time Reporting should be financial and competitive harm to independent regionally-focused underwriters.

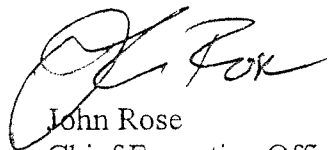
As an alternative, in order to allow adequate time to process the information through vendor systems and to input all bond allocations, we believe that submitting new issue trade information as soon as possible, but no later than end of day, is a manageable solution.

We also support a phased-in approach to testing and implementation. We will be submitting our trades via the Fixed Income Clearing Corporation (FICC) and are relying on our vendor to make the necessary system upgrades to meet the real time trade submission requirements. Training and workflow changes that will be necessary to meet the deadlines and costs have yet to be finalized. We hope that the MSRB will provide progress reports and enough time to make these changes to our systems and our expense planning.


The impact on liquidity of real-time dissemination is also an important concern for SNW. We support the immediate dissemination of the majority of municipal transactions, but we believe these should be phased in as well, in order to further study the impact on liquidity of infrequently traded bonds.

SNW is committed to providing the transaction information needed for price transparency in a timely manner. We appreciate the efforts of the Municipal Rule Making Board and the Bond Markets Association in planning for the upcoming implementation. Thank you for your consideration of our comments.

Very truly yours,



John Rose
Chief Executive Officer



Maud Daudon
Managing Director
Investment Banking