

July 21, 2010

The Honorable Timothy F. Geithner  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Mary L. Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Dear Secretary Geithner and Chairman Schapiro:

The undersigned companies and organizations represent a diverse range of industries that rely on money market mutual funds to support their capital raising and investment needs. American business will lose one of its most important sources of short-term funding if money market funds are forced to abandon their stable per-share value—one of the ideas under consideration by the President’s Working Group on Financial Markets and the U.S. Securities and Exchange Commission (SEC). With such a change, the expected flight of investors from these funds will severely impair the ability of companies to raise capital in the U.S. and undermine efforts to strengthen the American economy.

Businesses issue commercial paper to meet short-term financing needs such as funding payroll, replenishing inventories, and financing expansion. Since the mid-1980s, money market funds have been major, reliable buyers of those securities and today purchase over 40 percent of the commercial paper issued by American businesses. Should regulators eliminate these funds’ stable net asset value (NAV) some investors will be forced to walk away due to mandatory investment guidelines that require a stable per share value. Others will take their money elsewhere after the simplicity and convenience of the stable NAV disappears. According to one survey of institutional investors, 55 percent of respondents said they would substantially decrease investment in money funds if regulators mandated a floating NAV.<sup>1</sup>

There are no immediate substitutes for money market funds in this financing role. Bank lending cannot fill this funding gap unless banks raise substantial new capital. Unregulated private pools might see an opportunity to expand, but encouraging investors to migrate to these vehicles hardly seems consistent with efforts to reduce risk, increase transparency, and ensure greater market stability. Mandating a floating NAV would make short-term financing for American business less efficient and far more costly, ensuring a severe setback for an economy emerging from recession.

We have supported appropriate steps taken by the Department of the Treasury and the SEC to preserve and strengthen this vital source of business financing, but believe this is one proposal that should be rejected outright. We urge your support for policies that promote the use of the stable NAV that has served American investors and businesses so well for decades.

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<sup>1</sup> *Report of the Money Market Working Group*, Investment Company Institute, March 17, 2009, p. 110, available at [http://www.ici.org/pdf/ppr\\_09\\_mmwg.pdf](http://www.ici.org/pdf/ppr_09_mmwg.pdf).

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We thank you for your consideration and would be happy to discuss this further with you or the appropriate staff.

Sincerely,

Agilent Technologies  
Association for Financial Professionals  
Cadence Design Systems  
Comcast Corporation  
CVS Caremark Corporation  
Devon Energy  
Dominion Resources, Inc.  
Financial Executives International's Committee on Corporate Treasury  
FMC Corporation  
National Association of Corporate Treasurers  
Pacific Gas and Electric Company  
Safeway Inc.  
U.S. Chamber of Commerce

cc: The Honorable Kathleen L. Casey, Commissioner, U.S. Securities and Exchange  
Commission  
The Honorable Elisse B. Walter, Commissioner, U.S. Securities and Exchange  
Commission  
The Honorable Luis A. Aguilar, Commissioner, U.S. Securities and Exchange  
Commission  
The Honorable Troy A. Paredes, Commissioner, U.S. Securities and Exchange  
Commission  
Mr. Andrew J. Donohue, Director, Division of Investment Management, U.S. Securities  
and Exchange Commission