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555 Twelfth Street, NW
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March 19, 2012

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: President's Working Group Report on Money Market Fund Reform; Release No. IC-29497; File No. 4-619

Dear Ms. Murphy:

We are writing to supplement our comment letters dated December 15, 2011 and February 24, 2012, on behalf of our client Federated Investors, Inc., with information on the approximate size of each of the segments of specialized commercial users of money market mutual funds ("MMFs") that are described in our previous letters. As discussed in our prior letters, radical changes to MMF regulation, including movement to a continuously floating NAV, a holdback or minimum balance requirement, or bank-like capital requirements, would seriously undermine the utility of MMFs to businesses, governments, investors, and other private and public sector participants for a variety of specialized applications, including corporate payroll processing, storing corporate and institutional operating cash balances, bank trust accounting systems, storing federal, state and local government cash balances, municipal bond trustee cash management, consumer receivable securitization cash processing, escrow processing, 401(k) and 403(b) employee benefit plan processing, holding broker-dealer and futures commission merchant customer cash balances, and holding cash sweep balances in cash management-type accounts at banks and broker-dealers. MMF shareholders in these segments operate using automated systems and processes that depend upon a predictable NAV, and same-day and next-day settlement of the full balances redeemed or invested.

Federated has prepared these estimates using its own data as well as data that is commercially available from other sources. For some of the segments, the available information is nearly complete and provides a very close indication of the amounts involved in the segment. For certain other segments, the estimates are based on limited data and may be higher or lower than the actual amounts by a significant amount. The numbers indicate that individually and in the aggregate these specialized uses of MMFs represent very large dollar amounts and may represent 50% or more of aggregate MMF balances. The size of these segments and the lack of complete data in certain of these segments indicates that significant further formal study of these segments and gathering data on the amounts involved is crucial to understanding the potential impact on MMF users in these segments being able to efficiently conduct their operations, and indirectly through the efficiency with which these functions can be conducted, the impact on markets and the economy as a whole.

In light of operational and legal impediments to the continued use of MMFs in these segments after implementation of holdbacks, minimum balance requirements, continuously floating NAV, bank-like capital requirements or other substantial changes to MMF regulation that are being considered, we believe that the changes to MMF regulation currently under discussion within the SEC Staff would result in significant disruptions for investors in these segments.

The Commission's regulation and oversight of MMFs has been robust and successful, and the recent amendments to Rule 2a-7 appear to have been highly effective in enabling MMFs to weather periods of unusual redemptions during last year. Imposition of a holdback, minimum balance requirement, bank-like capital requirements, a continuously floating NAV, or other substantial changes to MMFs regulation would harm each of these specialized applications that have come to rely on MMFs, and would have adverse ripples throughout the economy. The economic importance of these segments, and the amounts involved, are very substantial. Far more detailed and accurate data needs to be gathered before the size of these segments and their economic importance can be fully understood, and the potential impact of any of the major changes upon these segments can be gauged.

Sincerely,

John D. Hawke, Jr.

John D. Hawke, Jr.

cc w/attach:

The Honorable Mary Schapiro
The Honorable Luis A. Aguilar
The Honorable Daniel M. Gallagher, Jr.
The Honorable Troy A. Paredes
The Honorable Elisse B. Walters

Eileen Rominger, Director, Division of Investment Management
Robert E. Plaze, Associate Director, Division of Investment Management

Money Market Assets ($ Bil) As of 12/31/2011)

Sector	Assets $B	Estimated % of Industry	% of Institutional	% of Retail
Institutional Assets:		*65%*		
Business:	**$997.1**	**37%**	**57%**	
Estimated Institutional Assets Not Otherwise Classified	$599.6	22%	34%	
Estimated Bond Proceeds	$214.3	8%	12%	
Estimated Sweep Assets	$175.1	7%	10%	
Estimated Municipal Proceeds	$8.1	0%	0%	
Financial:	**$581.9**	**22%**	**33%**	
Estimated Trust and Fiduciary Assets	$185.0	7%	11%	
Estimated Escrow Assets	$150.0	6%	9%	
Estimated Retirement Assets	$103.0	4%	6%	
Estimated Non-US Assets	$63.3	2%	4%	
Estimated Margin Deposit Assets	$25.0	1%	1%	
Estimated Property & Casualty Insurance Assets	$24.1	1%	1%	
Estimated Life Insurance Assets	$16.5	1%	1%	
Estimated State & Local Government Retirement Assets	$15.0	1%	1%	
Non-Profit Organizations:	**$87.6**	**3%**	**5%**	
Estimated Non-Profits Assets	$87.6	3%	5%	
Other:	**$84.6**	**3%**	**5%**	
Estimated State & Local Government Assets	$84.6	3%	5%	
Estimated Total Institutional Assets	**$1,751.2**	**65%**	**100%**	
Retail Assets:		*35%*		
Estimated Retail Non-Retirement & Non-Sweep Assets	$436.3	16%		46%
Estimated Retirement Assets	$279.0	10%		30%
Estimated Sweep Assets	$188.0	7%		20%
Estimated Variable Annuity Assets	$36.9	1%		4%
Estimated Total Retail Assets	**$940.2**	**35%**		**100%**
Total Money Market Fund Assets $ Bil	**$2,691.4**	**100%**		