North Carolina Chamber
A force for business.

January 25, 2011

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Request for Comment on the President's Working Group on Financial Markets Report on Money Market Fund Reform Options (Release No. IC-29497; File No 4-619)

Dear Ms. Murphy:

Thank you for the opportunity to comment on the President's Working Group on Financial Markets Report on Money Market Fund Reform Options (PWG Report). The North Carolina Chamber is a non-partisan advocacy organization that represents tens of thousands employers and over 800,000 jobs throughout our state. Job creation is at the very core of our advocacy mission. Thus, we are always concerned about short-term financing options for North Carolina businesses.

We endorse the U.S. Chamber of Commerce's letter in opposition to the PWG Report option that money market mutual funds float their net asset value. We are concerned that a mandatory floating net asset value, including two-tier approaches, or any other change to the fundamental nature of money market mutual funds, could negatively impact this important source of direct financing and cash management for businesses large and small. Regulations that shrink the pool of money market mutual fund capital available to businesses will negatively impact their ability to meet their cash requirements, causing large disruptions in the nation's economy.

Please see the U.S. Chamber of Commerce's letter attached. Thank you for your consideration.

Sincerely,

S. Lewis Ebert
President & CEO

> 701 CORPORATE CENTER DRIVE, SUITE 400, RALEIGH, NC 27607 > P 919.836.1400 F 919.836.1425 > ncchamber.net

January 10, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: <u>Request for Comment on the President's Working Group Report on Money Market Fund Reform (Release No. IC-29497; File No. 4-619)</u>

Dear Ms. Murphy:

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, whether directly or indirectly, under the proposals discussed in the Report of the President's Working Group on Financial Markets on Money Market Fund Reform Options (PWG Report).[1] 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 more than one-third 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.[2] These harmful consequences will occur whether all funds are required to abandon the stable

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[1] http://www.treasury.gov/press/releases/docs/10.21%20PWG%20Report%20Final.pdf.
[2] *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 .

NAV (Option a. of the PWG Report) or a significant subset of funds are required to float their value in a "two-tier" system (Options e. and f. of the PWG Report).

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 Securities and Exchange Commission, the Federal Reserve Board, and the Department of the Treasury to preserve and strengthen this vital source of business financing, but believe the idea of requiring all or most funds to float their value 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.

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

Sincerely,

Agilent Technologies, Inc.
Air Products & Chemicals, Inc.
Association for Financial Professionals
The Boeing Company
Cadence Design Systems
CVS Caremark Corporation
Devon Energy
Dominion Resources, Inc.
Eastman Chemical Company
Eli Lilly & Company
Financial Executives International's Committee on Corporate Treasury
FMC Corporation

Institutional Cash Distributors
Kentucky Chamber of Commerce
Kraft Foods Global, Inc.
National Association of Corporate Treasurers
New Hampshire Business and Industry Association
Nissan North America Inc.
Pacific Gas and Electric Company
Safeway Inc.
Weatherford International, Ltd.
U.S. Chamber of Commerce

cc: The Honorable Mary Schapiro, Chairman, U.S. Securities and Exchange Commission
The Honorable Kathleen Casey, Commissioner, U.S. Securities and Exchange Commission
The Honorable Elisse Walter, Commissioner, U.S. Securities and Exchange Commission
The Honorable Luis Aguilar, Commissioner, U.S. Securities and Exchange Commission
The Honorable Troy Paredes, Commissioner, U.S. Securities and Exchange Commission