



State of Rhode Island and Providence Plantations
315 Iron Horse Way, Suite 101
Providence, RI 02908
401-278-9100

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OFFICE OF THE SECRETARY

January 26, 2011

Keith W. Stokes
Executive Director

Ms. Elizabeth M. Murphy
Secretary
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:

Short-term financing is a vital tool many businesses rely on to fund payroll, replenish inventories and support expansion. American business would lose one of its most important sources of capital raising and instruments to meet investment needs if money market funds are, directly or indirectly, forced to abandon their stable net asset value (NAV) under proposals discussed in the President's Working Group on Financial Markets Report (PWG Report).

As the State of Rhode Island's official economic development organization, the Rhode Island Economic Development Corporation (RIEDC) works with companies on a daily basis who would be adversely impacted or even potentially put out of business by proposals that would fundamentally change the nature of money market funds, such as a floating NAV.

If a floating NAV is adopted, investors with a strong need for a stable value would be forced out of money market funds. This likely decrease in demand could lead to a significant contraction in the availability of financing for many enterprises which in turn would severely impair the ability of businesses to raise capital in the U.S. and undermine efforts to strengthen the American economy.

These negative consequences could occur whether all funds are required to abandon a stable NAV (PWG Report – Option a.) or a large subset of funds float their value in a "two-tier" system (PWG Report – Options e. and f.).

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A number of regulatory and industry changes have already made money market funds more resilient to market fluctuations. In January 2010, the Securities and Exchange Commission adopted substantial amendments to Rule 2a-7 of the Investment Company Act which have greatly enhanced the credit quality, diversity, maturity and liquidity of investments held in money market funds.

The RIEDC supports appropriate steps to preserve and strengthen this critical source of business financing but believes that the idea of requiring all or most funds to float their value would be detrimental to our economy and should be opposed. The RIEDC urges you to support policies that promote the use of the stable NAV that has served American investors and businesses so well for decades.

Thank you for your consideration of these matters.

Sincerely,



Keith W. Stokes
Executive Director
RI Economic Development Corporation

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