New Jersey Business & Industry Association

100TH ANNIVERSARY NJBIA est. 1910

Celebrating a Century of Service to NJ Business

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FEB 07 2011
OFFICE OF THE SECRETARY

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 Report on Money Market Fund Reform (Release No. IC-29497; File No. 4-619)

Dear Ms. Murphy:

On behalf of the New Jersey Business & Industry Association's 22,000 members, NJBIA would like to offer our comments on the reform options presented by the Report of the President's Working Group on Financial Markets on Money Market Fund Reform Options (PWG Report). NJBIA is very concerned about the impact of short term funding if money market funds were to change their stable per-share value under the proposals within the report.

As you are aware, companies use short-term financing especially during these difficult economic times to meet needs such as payroll, purchasing inventory, and if they are lucky enough to expand their markets. With credit lines already tight, any changes to the money market system could increase short term borrowing costs through higher administrative fees, lengthening the amount of time to obtain cash, and investors switching to other less risky options.

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.

Witnessing the harsh economic realities within our state, New Jersey businesses are looking for ways to grow out of this recession. Implementing the report's recommendations for a floating NAV is not something that we support as a way of improving our current conditions.

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

Sincerely,

Sara Bluhm
Assistant Vice President
Energy & Federal Affairs