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September 17, 2013

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

RE: *Comment Letter to the Securities and Exchange Commission on Money Market Fund Reform; File No. S7-03-13*

Dear Ms. Murphy:

On June 5, the Securities and Exchange Commission ("SEC") released a proposed rule that would amend the regulatory structure for money market mutual funds (MMFs). I commend the SEC for their diligence in addressing this important issue to investors.

As Governor of Massachusetts, I have worked to create a business environment that facilitates economic growth and job creation. To that end, I am fully supportive of regulation that encourages capital creation and allows businesses and governments to finance projects in a fair and equitable manner. I am, however, concerned that the SEC's currently proposed MMF rule may have a negative impact on the Commonwealth of Massachusetts and the cities and towns I represent as Governor.

Massachusetts and its municipalities regularly issue short-term debt securities that are primarily purchased by money market mutual funds. In fact, in 2012 the Commonwealth and its municipalities sold over $3.5 billion in short-term notes at very attractive financing rates. This short-term debt is used to provide capital for projects throughout the entire state, including school construction, transit projects, water and sewage treatment facilities and other vital public services.

I am concerned over the current SEC proposal's inclusion of new regulations for municipal MMFs, including removing the stable $1.00 net asset value and allowing for fees and redemption gates. As you are well aware, many investors have indicated they would no longer use MMFs if these types of changes are made to the basic structure of the MMF product. I believe that less investment in MMFs will lead to less availability of capital and a limitation on the ability of MMFs to purchase debt from municipalities, subsequently leading to increased borrowing costs for state and local governments. As funding from MMFs contracts, financing costs for municipalities in Massachusetts would rise and important public projects would either be more expensive or potentially delayed.

Further, the SEC rightly recognizes the negative impact new regulations would have on MMFs that invest in U.S. Treasury and government securities by excluding these MMFs from the floating NAV or the redemption gates and fees alternatives. I believe that municipal issuers of debt should not be treated differently than federal entities, and am concerned that including municipal MMFs in the SEC's proposed regulations would put local governments at a financing disadvantage to the federal government in the capital markets.

As the SEC moves forward with consideration of this proposal, I urge you to take into consideration the important role MMFs play in meeting the financing needs of states and municipalities, and request that municipal MMFs be excluded from new regulations under the SEC proposal.

Sincerely,