BLACKROCK

September 4, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street
Washington, D.C. 20549-1090

RE: File Number S7-11-09 (Release No. IC-28807, Money Market Fund Reform)

Dear Ms. Murphy:

BlackRock appreciates the opportunity to respond to the Commission's proposal for money market fund reform.

BlackRock and its predecessor companies have been involved in the management of money market funds since 1973 and today BlackRock is one of the largest cash management providers in the world, including $259 billion in 2a-7 registered money market mutual fund assets as of June 30, 2009. We have not achieved this scale because we always offer the highest yield – we have grown because we have earned our clients' trust through multiple interest rate cycles and a wide variety of market events. We understand the importance of putting safety and liquidity first – not as a marketing message, but as the core of our investment philosophy. We believe cash management is a distinct investment category – different and unique from other fixed income strategies. At BlackRock, we have investment personnel, credit research and risk management processes that are dedicated to the liquidity business. These teams work collaboratively to develop and maintain proprietary approved lists, and only securities on those lists are eligible for purchase in our money fund portfolios. This process goes beyond an assessment of whether a particular security will mature at par; it is a rigorous analysis of multiple facets of the instrument and its issuer, including how it is likely to perform under many different conditions and scenarios.

We are very grateful for the significant and thorough work the Commission has done in preparing these proposals. We are in strong agreement with many of the proposals and, perhaps more importantly, we are in full agreement with the overarching principle that is guiding all of these proposals and inquiries; strengthening the credit quality standards and liquidity requirements of money market funds for the benefit and protection of fund shareholders.

Similarly, we and our clients are immensely grateful for the work of the Commission and many other Government agencies throughout the financial crisis. The swift and decisive actions taken by multiple agencies in concert was essential in restoring confidence and order to the markets in an environment that had moved beyond reason and into a level of panic not seen in the lifetime of most who now work in this industry.

At the same time, we also believe it is important to conduct this review not only in light of the events that enveloped the financial markets over the past two years, but in the context of the entire history of money market funds. Consideration should be paid to the important role these funds play for the investors who use them and the significant part they play in the overall short-term financing markets. We agree with the Commission and the Investment Company Institute (ICI) that it is prudent to review and revise the rules and regulations governing this important asset class. However, care should be taken to ensure that the reforms, both individually and collectively, achieve the objective of protecting money market funds and the shareholders who invest in them without inadvertently resulting in harm to shareholders or destabilization of financial markets.

As requested, please find below BlackRock's comments on these proposals. For your convenience, we have organized our comments to coincide with their order in your original document.

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A. Portfolio Quality

1. Second Tier Securities

Summary Response: BlackRock agrees that rule 2a-7 should be amended to permit investment only in first tier securities.

We agree with the proposal as written. While, as noted by the Commission, second tier securities were not implicated as a factor in recent strains on the money fund industry, this change is consistent with the overall objective of increasing the credit quality of money market funds. In the case of first tier securities downgraded while held in a money fund portfolio, we support the continuation of the existing provisions of 2a-7 that call for an orderly disposal of the security but which also provide for the fund board to make a determination to continue to hold the security, should it determine that disposing of the security is not in the fund's best interest.

2. Eligible Securities

a. Use of Nationally Recognized Statistical Rating Organizations (NRSROs)

Summary Response: Rule 2a-7 should continue to reference NRSROs as a minimum credit quality standard.

BlackRock fully supports the assertion that NRSRO ratings cannot be the sole determinant of whether a particular security should be included in a money fund portfolio. It is truly essential that an advisor make an informed and independent assessment of the creditworthiness of each issuer and security - not only prior to purchase, but on an ongoing basis for those securities held in the portfolio. We do not, however, support the elimination of the NRSRO references in rule 2a-7. A NRSRO requirement provides a useful first level filter for an adviser's own credit assessment. Removal of the NRSRO requirement could actually have the opposite of the intended effect, as it could permit an adviser to make an independent determination to purchase a security that today would not meet the minimum threshold created by the NRSRO requirements.

The Commission has suggested a number of possible requirements that could be imposed on a fund board relative to oversight and/or approval of NRSROs. Rather than impose any new requirements on fund boards in evaluating NRSROs, BlackRock would suggest that the rule require a fund board to evaluate and approve the adviser's credit staffing, approach and procedures to ensure they do not rely too heavily on NRSRO ratings. This would help to emphasize that the NRSRO ratings are only a starting point and keep the board's focus on assessing the adviser's ability to make independent assessments that go well beyond a rating.

b. Long-Term Unrated Securities

Summary Response: We believe the current rule permitting the purchase of unrated long term securities provided they have a long-term rating in one of the top three rating categories of a NRSRO is appropriate.

We would recommend that the Commission not restrict these purchases to the top two rating categories. In our opinion, and consistent with Moody's mapping of short- and long-term rating equivalency, a long-term rating in the middle of third highest category or above is the equivalent of a top tier short-term rating. This is not to say that any security with a rating in the third highest long-term category is appropriate for a money market fund (or in the highest two categories, for that matter). As discussed above, these ratings should represent only a starting point in the credit process, to be followed by full and independent analysis on the security and issuer prior to inclusion in a money market portfolio.

Other:
Summary Response: Securities subject to a conditional demand feature and rated within either the top short term or one of the top two long-term rating categories of a NRSRO should continue to be eligible for purchase by money market funds.
While not specifically covered in the Discussion section of the proposal, in the changes to the 2a-7 language in the Federal Register, the Commission has proposed changing the eligibility of securities subject to conditional demand features to only those that have, "received either a short-term rating or a long-term rating, as the case may be, from the Requisite NRSROs within the NRSROs' highest short-term or long-term rating categories." We believe the current requirement that these securities be rated in either of the top two short or long-term rating categories is prudent and appropriate. This proposed change would have a negative impact on funds and their shareholders - particularly municipal funds - by significantly reducing the number of securities available for purchase. This could lead to greater concentration of the portfolio into fewer issuers.

Importantly, we do not believe that this harm would be offset by any meaningful reduction of risk in these portfolios. In most cases, the condition underlying the demand feature for these types of securities is that the underlying security maintains an investment grade rating. Therefore, under the current rule, a AAA or AA security would have to be downgraded below investment grade within the demand period (usually 7 days) in order for the demand feature to not be exercisable. This means that the risk limitation of the proposed rule is limited to the difference between the probability of a AA rated security being downgraded below investment grade within the demand period versus the risk of a AAA rated security doing the same. Based on S&P's municipal issuer default data, the difference in the cumulative default rate from 1986-2008 was just 0.32%, a miniscule variance that, in our opinion, does not adequately offset the resulting loss of diversification.

3. Credit Reassessments
Summary Response: We agree with the proposal as written.
This change is appropriate and consistent with the elimination of a money market fund's ability to purchase second tier securities.

4. Asset Backed Securities
Summary Response: BlackRock believes that rule 2a-7 should continue to use minimum NRSRO requirements for asset backed securities. We do not believe the rule should attempt to specify a specific credit process. We do believe a fund board should review and approve an adviser's credit process.
As stated above, BlackRock firmly supports the continuation of NRSRO ratings as a minimum standard in rule 2a-7. This view extends to Asset Backed Securities (ABS), even in light of the rapid downgrades that occurred in 2007 and 2008. We agree with the Commission that an over reliance on these ratings as anything other than a starting point for a firm's own analysis is inappropriate. However, we do not believe that eliminating the ratings requirement would address this concern. As noted above, it could even have the opposite effect.

We also agree that ABS are a distinct security type, with a unique set of risks that need to be fully and completely analyzed prior to inclusion in a money fund portfolio. However, ABS comes in many different forms and structures. We believe it would be very difficult, if not impossible, to create a single set of credit guidelines that would adequately permit an adviser or the board to determine if a particular ABS security represents minimal credit risk.

Additionally, we do not believe the rule should be amended to require that ABS be subject to an unconditional demand feature in order to be eligible for purchase in a money market fund. This requirement would be particularly damaging to the tender option bond (TOB) market, given that current tax laws require the demand feature be conditional in order for the income to pass tax free to the investor. TOBs are a significant source of funding for municipalities and eliminating money market funds as eligible purchasers would eliminate a significant buyer of these securities.

We believe that, rather than attempt to codify a specific credit process, the rule should continue to emphasize the obligation of the adviser to perform a thorough analysis on each security, including ABS, prior to purchase. As suggested above, one possible avenue is to require the adviser to regularly demonstrate its credit process, including staffing, systems and analytics, to the board. The board would then be in a position to opine on the ability of the adviser to perform the necessary level of analysis.

B. Portfolio Maturity

1. Weighted Average Maturity

Summary Response: BlackRock does not support shortening the maximum weighted average maturity (WAM) for money market funds to 60 days. We do support the ICI's Money Market Working Group recommendation to shorten maximum WAM to 75 days.

BlackRock does not believe the WAM restrictions in the rule should be reduced to 60 days. WAM limits do not control credit risk or liquidity risk in a money market fund. It is important to consider that WAM did not play a factor in the issues that impacted money funds over the past two years. In fact, many of the securities that were most problematic during this crisis were included in the WAM calculation based on the next interest rate reset date, not the final maturity. This means that these securities could, and in some cases did, have the effect of shortening the overall WAM of the portfolio while actually increasing a fund's credit risk and providing no additional liquidity. The WAL proposal below rightly addresses this concern, but a shortened WAM would have no impact on this issue. This is further illustrated by noting that the funds recognized as having the most significant issues were as likely to have a WAM below the average of the industry as they were to be longer than the industry.

For these reasons, we do not believe the WAM restrictions in the rule require significant revision. However, we recognize that recent market events require a comprehensive approach to enhancing fund liquidity. As a result, we do support the ICI's recommendation to lower the WAM for money market funds to 75 days. We believe that this limit, when combined with the introduction of minimum portfolio liquidity requirements discussed above and the maximum weighted average life requirement discussed below, addresses the Commission's stated desire to help mitigate the risks associated with a need to liquidate large portions of a money fund portfolio in a relatively short time frame.

The Commission has rightly noted that there is a need for these proposals to strike a balance between limiting risk and eliminating opportunities to generate a competitive return for fund shareholders. In our view, dramatically shortening WAM by 1/3 from 90 to 60 days may unduly hamper a fund from prudently positioning a money fund portfolio to take advantage of certain market opportunities for shareholders. For example, an adviser might, at times, choose to replace short-dated credit exposure in the portfolio with longer dated U.S. Treasury securities. This was a successful and prudent strategy in the Spring and Summer of 2008, in light of the credit environment. This is an example where lengthening the portfolio actually improved the overall credit profile of the fund.

2. Weighted Average Life

Summary Response: BlackRock supports a maximum weighted average life (WAL) for money market funds of 120 days. We do not believe Treasury securities should be included in WAL calculations. We believe Government agency securities should be included in WAL calculations.

BlackRock supports the proposed maximum WAL for money market funds of 120 days. We believe this is a very prudent addition to the rule that, combined with the minimum liquidity requirements described below, represents an important and substantive risk reduction in the permissible construction of a money fund portfolio.

The Commission has also requested comment on whether to include or exclude Government securities from WAL calculations. Unlike WAL, WAM calculation is intended to measure interest rate exposure. As a result, we believe that all Government securities should be included in a WAM calculation, including Treasuries.

By contrast, a WAL calculation is intended to measure credit spread risk and basis risk. For this reason, we believe that U.S. Government agency securities should be included in WAL calculations, as recent events have shown that these spread relationships can be variable. We do, however, believe Treasury securities should be excluded from WAL calculations.

3. Maturity Limit for Government Securities
Summary Response: We agree with the proposal as written.
We are not aware of any funds that use penny rounding method of pricing and see no reason to retain this provision of the rule.

4. Maturity Limit for Other Portfolio Securities
Summary Response: BlackRock does not believe the final maturity limit for individual securities should be changed from 397 days.
BlackRock is not in favor of changing the 397 day final maturity limit for individual securities. As stated above, we firmly support the reduction of maximum weighted average maturity to 75 days and the introduction of a 120 day maximum weighted average life. We also support the implementation of the daily and weekly liquidity requirements described below. We believe that the combination of these limitations is sufficient to significantly increase the liquidity of money funds and, at the same time, increase overall credit quality.

To illustrate this point, current rules, which lack a WAL limitation, would technically permit a fund to invest its entire portfolio in floating rate securities with remaining maturity of 397 days, but with a daily Fed Funds rate reset. This portfolio would have a 1 day WAM, but would have a significantly greater risk profile than expected from an overnight investment. By contrast, implementing the WAL restriction along with daily and weekly liquidity requirements that we support would result in a portfolio that could invest no more than 30% of its portfolio in securities with a remaining maturity of 397 days, and would need to keep the remaining 70% of the portfolio invested in securities maturing in 7 days or less. We believe that this extreme example demonstrates that the other proposed changes provide sufficient constraints to appropriately limit long duration credit exposure and provide ample liquidity without any need to restrict the final maturity of individual securities to something less than 397 days.

In addition, it is reasonable to consider the impact of a change in the 397 day limit on the capital markets. The effect of a reduction in this limit would be a significant movement toward the shorter end of the investment horizon by the entire money fund industry. This means that there would be significantly less cash in the marketplace to buy longer dated securities that would have previously been bought by money funds. Given the laddered liability structure of many issuers, there will continue to be a need for them to access financing beyond 185 days for their own prudent risk management purposes. This change will make that financing more expensive or will force them to rely more heavily on shorter average financing, potentially increasing refinancing risk that has been one of the elements of the recent crisis.

C. Portfolio Liquidity

1. Limitation on Acquisition of Illiquid Securities
Summary Response: We agree with the proposal as written and support the prohibition against money market funds acquiring securities that, at the time of purchase, are considered illiquid.
As noted by the Commission, at the core of these proposed changes is the desire to increase the creditworthiness and liquidity of money market funds. Prohibiting a fund from purchasing an illiquid security is fully consistent with these goals. While the current limitation of 10% represents only a small portion of a fund's total assets, it is inconsistent with a money fund's stated liquidity objectives. It can also impact a fund's credit profile, as the adviser would be unable to sell the security - even if its opinion of the creditworthiness of the security or issuer were to change while it is held in the fund. Additionally, should the overall size of the fund decline, the illiquid security would represent a greater and greater percentage of the portfolio, as the adviser would be unable to reduce the size of the illiquid position.

2. Cash and Securities that Can Be Readily Converted to Cash
Summary Response: BlackRock does not support the proposal to distinguish between "retail" and "institutional" funds and applying different minimum liquidity requirements for each category. We do support the ICI's Money Market Working Group recommendations which call for a minimum of 5% daily liquidity for all taxable money funds and 20% weekly liquidity for all funds.
BlackRock strongly agrees with the Commission's overall direction in requiring specific minimum liquidity requirements, stress testing and board oversight of an adviser's procedures for monitoring and reacting to the specific liquidity profile of their unique client base. However, we do not believe it is prudent or practical to set different requirements for "retail" versus "institutional" funds. We support the ICI recommendation of 5% daily liquidity for all taxable money market funds and 20% weekly liquidity for all money market funds.

As noted in the Commission's proposal, there are inherent difficulties in appropriately defining the difference between retail and institutional funds; these include omnibus accounts, portal assets and master-feeder fund structures. We believe that the most important part of this proposed change is to require an adviser, with the oversight of the fund board, to evaluate and maintain appropriate daily, weekly and general liquidity to meet the specific needs of the fund's unique client base and current market conditions. As with the NRSRO requirements, these new liquidity levels should be a minimum threshold - NOT the entirety of the process. It is also important to consider that most any definition would be subject to future manipulation. For example, a fund defined as retail with less restrictive portfolio liquidity requirements might well out-perform an institutional fund with more restrictive requirements in certain market environments and could quickly attract a significant amount of new institutional money.

In addition to the proposed requirements, we would also suggest that the Commission consider requiring an adviser receive some minimum level of transparency for portal and omnibus account positions. This should include aggregate data on the number and stratification of the underlying accounts as well as the specific holdings of any clients that represent more than 5% of the total omnibus or portal position in the fund. This data would further assist the adviser and the fund's board in monitoring each fund's client profile and adjusting portfolio liquidity appropriately.

3. Stress Testing
Summary Response: We agree with the concept of stress testing money market funds, but the process and methodology should be governed by the fund's adviser, not the board.
As noted above, BlackRock agrees with periodic stress testing of money market funds. However, we believe it should be the responsibility of the fund's adviser to determine the appropriate testing process. The fund's adviser is better suited than a fund board to quickly alter methodology and therefore produce relevant assumptions. It would be appropriate for the board

to specify the timing and frequency of any stress testing as well as to review the results as part of their quarterly meetings.

Further, we do not recommend that any rule changes specify a stated singular base line test or combination of hypothetical events. We again feel that the adviser is best suited to make and adjust these criteria over time and in response to changing market conditions.

D. Diversification

Summary Response: BlackRock believes the existing diversification requirements in rule 2a-7 are appropriate and sufficient.

E. Repurchase Agreements

Summary Response: We agree with the proposal as written.

F. Disclosure of Portfolio Information

1. Public Website Posting

Summary Response: BlackRock supports the proposal requiring that monthly reporting of portfolio holdings be made available via a public website. We would, however, strongly recommend that the proposal be revised to require this information be posted within 10 business days, rather than 2 business days as proposed. In addition, BlackRock strongly opposes including market-based net asset value data in such public website posting.

BlackRock firmly supports the Commission's overall goal of providing greater transparency for investors, and agree with the proposal that this be made available on a monthly basis. However, we strongly recommend the requirement be that the information be posted on or before the 10th business day of the month. This would allow appropriate time to coordinate, prepare and deliver data from multiple sources and to ensure the accuracy of the information. BlackRock believes that the requirements to disclose as prescribed by Regulation S-X would be unnecessarily difficult to comply with, and a simpler format would be more beneficial to shareholders. In order to enhance comparability across funds, we suggest a standard level of appropriate security level disclosure to include: cusip, issuer, security type, par value, amortized cost, final maturity date and NRSRO ratings, if applicable. At the portfolio level, weighted average maturity and weighted average life should be provided. We would caution, however, that disclosure of this information should not be viewed as a risk management measure that would "exert influence on risk-taking by fund advisers" and "reduce the likelihood that a fund will break the buck" as described in the proposal. Even with enhanced disclosure, the average investor may not have the ability to understand all of the specific risks to which the fund may be exposed, and will continue to rely on the judgment of the fund adviser as to those risks.

In addition, the Commission requested comment on publicly disclosing market-based net asset value. We do not believe that access to this information would be beneficial to a shareholder. For example, it would not have had a positive influence on the crisis that occurred in September of 2008. In fact, a reasonable argument could be made that the availability of this information would have led to greater shareholder anxiety and even greater redemption levels - particularly if the data was misunderstood or inappropriately reported in the media. It could also lead to inappropriate and undue pressure on the accounting agent to keep the market NAV at a particular level. The market based NAV is an important tool for the adviser, board and even the SEC staff to monitor the status of a money market fund, but we do not believe this data should be publicly available.

2. Reporting to the Commission

Summary Response: BlackRock fully supports increased disclosure to the Commission as proposed. However, we strongly oppose making this information publicly available and request that the deadline be the 15th business day following the end of the reporting period.

BlackRock fully supports an increased level of disclosure and transparency to the Commission as an important aspect of their regulatory oversight. We also support supplying the Commission with detailed portfolio data in fulfillment of those goals. However, we strongly urge the Commission to extend the deadline to complete this filing to the 15th business day following month-end. Given that this data is often housed across various systems requiring manual processes to aggregate, we believe it would be extremely difficult for fund companies to accurately compile, verify and submit the requested data within the 2 business days proposed by the Commission. BlackRock also suggests that an adequate implementation period be granted to allow firms to create the required reporting process.

In addition, we are firmly opposed to making this information public two weeks following the filing. We consider some of this information to be proprietary in nature, and are concerned that the information could be used to benefit larger, more sophisticated investors at the expense of smaller investors.

3. Amendment to Rule 30b1-5

Summary Response: We agree with the proposal as written.

G. Processing of Transactions

Summary Response: While we agree with the concept of the proposal, we believe the operational changes needed will be significant. Should the proposal be adopted, we would ask for an adequate period of time of no less than 24 months for implementation.

H. Exemption for Affiliate Purchases

1. Expanded Exemptive Relief

Summary Response: We agree with the proposal as written.

2. New Reporting Requirement

Summary Response: We agree with the proposal as written.

I. Fund Liquidation

1. Proposed Rule 22e-3

Summary Response: We agree with the proposal as written.

BlackRock supports exempting money market funds from section 22(e) to permit them to suspend redemptions in order to effect an orderly liquidation of the fund.

2. Request for Comment on Other Regulatory Changes

a. Temporary Suspension for Exigent Circumstances

Summary Response: We agree with the proposal as written.

b. Options for Shareholders in Liquidating Funds

Summary Response: BlackRock does not believe the Commission should adopt any new, specific rules governing shareholder treatment in a fund liquidation. We believe these decisions are best left to the adviser and fund board. In particular, we strongly oppose any provision that would permit the division of shareholders into different groups with different outcome objectives.

Clearly, shareholders' best interests need to be the guiding principle that governs any fund liquidation. However, we do not see any easily codified rules that could be added to rule 2a-7 that would ensure fair and equitable treatment beyond a guiding principle. We believe it is the role of the board, in its capacity as a fiduciary, to carry out its oversight obligations in the event of a fund liquidation. In particular, we would oppose any division of shareholders and, therefore, the fund's assets into two or more categories, such as those with a preference for speedy liquidation and those with a preference for capital preservation. We cannot envision any way to divide a portfolio equitably along such lines without disadvantaging one group at the expense of the other. For example, in order to achieve a speedy liquidation for certain shareholders, the adviser would need to take one of two courses of action:

1. Sell a pro-rata slice of the entire portfolio at current market, which would likely be at a deep discount to the intrinsic and/or held-to-maturity value. This would mean that the capital preservation shareholders would share in a piece of the losses incurred in order to achieve the desired liquidation on securities which they otherwise would have chosen to hold to maturity or sell under more favorable market conditions; or,
2. Sell all of the shortest-dated securities in order to satisfy the liquidation, which would leave the capital preservation group with the longer dated securities. This would have the effect of lengthening the average payout for these clients and, likely, leave them with the most problematic assets in the portfolio.

Clearly, both courses of action would harm the capital preservation shareholders. Similarly, actions taken to satisfy the capital preservation group could harm the interests of the shareholders seeking speedy liquidation. We believe the board must consider the interests of all shareholders collectively and exercise their fiduciary duty evenly so as to serve that group as a whole.

REQUEST FOR COMMENT

A. Floating Net Asset Value

Summary Response: BlackRock strongly opposes eliminating amortized cost accounting or the use of a stable net asset value (NAV) for money market funds.

Based on discussions with our clients, we believe that a stable NAV is an essential aspect of the appeal of money market funds. As a result, any movement away from a stable NAV would result in a substantial decline in overall industry assets - perhaps even the end of the industry as it exists today. As noted by the Commission, money market funds are an essential part of the economic landscape today, both for the shareholders of these funds and for the efficient operation of the short-term funding markets. We agree with the Commission that the events of 2007 and 2008 necessitate a re-evaluation of how these funds operate. We further believe that the cumulative effect of the proposals with which we agree in this letter will be to strengthen this important investment vehicle without the need to take the drastic step of eliminating the use of the amortized cost method of accounting.

Importantly, we do not believe that a fluctuating NAV environment would have had any meaningfully positive effect on the events of last fall. The generalized panic and irrationality in the marketplace would have only been exacerbated by declining money fund NAVs. Like a vicious circle, this would have generated more panic selling, resulting in further NAV declines and so on.

We strongly urge the Commission to implement the specific proposals as discussed in this letter and to assess their implementation and impact over time before even considering this extreme modification.

B. In-Kind Redemptions

Summary Response: BlackRock is not in favor of requiring funds to satisfy redemption requests above a certain level with in-kind distributions.

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We do not believe it is possible to deliver an equitable allocation of securities from a fund's portfolio. We also believe that many clients would be strongly opposed to this concept and would be ill equipped to receive such a distribution and/or effect a reasonable disposition of those securities. For example, DTC has specific requirements concerning minimum security denominations, so it would not be possible to simply deliver a vertical slice of the entire portfolio. This would require the adviser to make subjective determinations and security substitutions for each in-kind redemption that could never be expected to achieve absolute parity across shareholders, both those who have redeemed and those who remain invested.

Additionally, as noted by the Commission, existing rules under the Investment Company Act of 1940 already permit money market funds to make an in-kind distribution at their discretion. So, under extreme circumstances the fund and its board already have the tools to elect to utilize in-kind redemptions should they deem this to be in the best interests of the fund and its shareholders.

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Once again, we wish to thank the Commission and its staff for the extraordinary effort that went into developing these important proposals. We also thank you for reviewing and considering our commentary on these proposals.

In closing, we ask the Commission to contemplate the significant cumulative impact these proposals will have on the industry. If adopted, we believe the proposals with which we have agreed will have a markedly positive influence on the safety and liquidity characteristics of money market funds - an industry that already has a strong record of meeting the capital preservation and liquidity needs of its shareholders while delivering market-based yields over its more than 35 year history. As with any change of this type, particularly in response to a financial crisis of the magnitude recently experienced, there is a risk of over steering, which can result in a series of unintended negative side effects. We urge the Commission to implement these changes and monitor their impact over time before even considering the more drastic steps of imposing a fluctuating net asset value, requiring redemptions in-kind, shortening WAM to 60 days or requiring a minimum of 30% weekly liquidity for certain funds.

We would be happy to discuss our thoughts on these or other matters related to money market funds in greater detail.

Regards,

Paul Audet
Vice Chairman of BlackRock Inc.
Head of Global Cash Management

cc: The Honorable Mary L. Schapiro, Chairman
The Honorable Luis A. Aguilar, Commissioner
The Honorable Kathleen L. Casey, Commissioner
The Honorable Troy A. Paredes, Commissioner
The Honorable Elisse B. Walter, Commissioner
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