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*Filed Electronically*

September 8, 2009

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

Re: Money Market Fund Reform, Proposed Rule  
Release No. IC-28807, File No. S7-11-09,  
RIN 3235-AK33

Dear Ms. Murphy,

We appreciate the opportunity to respond to the Securities and Exchange Commission's proposed rule *Money Market Fund Reform* and strongly support the Commission's efforts in this area and have provided our comments to the proposal below.

The management and regulation of money market funds is important to the overall health of the financial systems within the United States. Fall 2008 was a period of extraordinary market conditions and stress. During this period many fund sponsors stepped in to support the funds that had been negatively impacted by external events. Looking forward the Commission Staff estimates that failures, or "breaking the buck", will impact only one fund every six years – an annual failure rate of 2/100ths of a percent (0.02%), which is an indicator of the strength of the industry.

Prior to the release of these proposed rules, the industry, through the Investment Company Institute – Report of the Money Market Working Group, March 17, 2009 – released their views on improvements that should be considered. Many of these improvements are embodied in your proposed rules. The comments from the industry should be considered seriously as they relate to the fundamental investment and risk management practices within the industry and the impact that the proposed changes may have on the overall vitality of the money market fund industry and accordingly, its investees and industries whose financing needs are satisfied, in part, by the industry.

Data Communiqué, as a firm supporting the investment management industry in the areas of data creation, aggregation, control, maintenance and dissemination, has focused our comments on the proposed rules relating to web site posting of portfolio information and the proposed Form N-MFP. In certain areas, we have identified additional costs that were not included in the Staff's discussions. In those areas, we have provided commentary below together with our other comments on the proposed regulation. We have also attached an exhibit to this letter that outlines the Staff's costs and those additional costs that we have identified for the two areas we have focused on.

Regarding web site posting:

- It is uncertain that all money market funds have a web site and as written, these rules do not provide an exemption providing "to the extent that a fund has a web site" as has been provided in other regulation. Accordingly, these rules require a web site be maintained by each money market fund. It is unclear if it is the intent of the Commission to utilize this rulemaking as the basis for requiring mutual funds to maintain a web site.
- While the ICI report recommended posting of portfolio information with a two (2) day lag, such a lag may not be feasible for all mutual funds and the Commission should consider monthly posting on a 15 or 30 day lag. See discussion regarding Form N-MFP timing of filing.
- Portfolio disclosure on a monthly basis is sufficient for investors to understand the general characteristics of a portfolio and the practices of its investment manager. In the event of a major market event, as was the case in 2008, many sponsors proactively provided investors with additional disclosures that were targeted toward the event. This proactive communication is preferable to a regulated posting that would force investors to "know where to look".
- Market values of individual securities should not be required, as this would result in confusion to many investors of money market mutual funds. The disclosure of contradictory information (individual securities with appreciation or depreciation), could change investing patterns and cause investors to believe that upon redemption of their shares that they would or should receive an amount different from the target \$1 valuation.
- Retention of web disclosed portfolio information for a twelve month period serves very little purpose as investors generally are only interested in the most recent data. We are unaware of any money market funds retaining prior postings on their web site and as such, this requirement will result in additional costs to the funds that have not been evaluated. Assuming the cost of retrofitting existing web sites is similar to the cost of creating a disclosure page for those not posting portfolio information presently, this additional requirement could result in 24 hours per fund at \$206 per hour - \$4,944 per fund or \$2,966,400 for the estimated 600 mutual fund web sites that presently post current portfolio data that were not factored into the Staff's cost estimate. Once

programmed, it is not anticipated that maintenance costs would increase significantly over the Staff's estimate.

Regarding Form N-MFP:

- In balancing the needs of the Commission in fulfilling its regulatory requirements and the costs associated with the assembly and filing of the data by the money market mutual funds, a monthly reporting appears reasonable. The two (2) day lag for reporting does not provide registrants an appropriate amount of time for adequate assembly, review and compliance procedures when considered in context with other reporting requirements that also generally fall on or around the end of each month. Based on our discussions with administration staff in the industry, a 15 to 30 day lag would be more appropriate for the filings. Other comments from larger fund complexes have advocated for a ten day lag, which may be appropriate for the larger complexes due to their internal staffing, however many complexes rely upon other third parties to perform the initial preparation of the data prior to their internal review and hence a longer period is required.

This additional time period is required for preparation, review and compliance procedures that were not cited in the Commission's proposal. It is estimated that each fund would incur six (6) hours of such efforts as compared to the four (4) hours per fund estimated by the Commission required for each Form NQ, which have significantly less data to review. Assuming the same hourly rate for these additional procedures required for the Form N-MFP as those required for the Form NQ (\$78.48), each of the 750 funds would incur an additional \$5,651 in annual in costs in excess of the \$26,976 annual cost estimated by the Commission, resulting in a total industry burden of \$24,469,920 after the initial programming.

- Given these filings are designed primarily for the benefit of the Commission and its Staff, when taken together with the web site postings there is no compelling reason to rush the data from these filings into the public domain. Accordingly, the Commission should consider a longer lag period before releasing the data. A longer period, such as 15 - 30 days, would provide sufficient protections to the funds and their underlying shareholders. The Commission may provide for a non-voluntary confidential period of twelve months at the initiation of the filings, if approved. This would provide both the Staff and the funds time to further consider confidentiality before promulgating final public disclosure rules on the data.
- While XML can be an efficient format for compiling and processing the data, XBRL should be considered for all the reasons specified by the Commission in their releases relating to its recent interactive filing requirements. Additionally, its use would aid mutual funds in becoming more familiar with its utilization and could thereby assist in future initiatives of the Commission. Given the volume of data that will be accumulated by the Commission, while filings should be through EDGAR, the underlying database and retrieval portal should be separate from the existing EDGAR system.

- The presently proposed data required in Form N-MFP is adequate for the Commission's needs. A requirement to provide market value, last trade price or trade volume would not add significant value, as many of the underlying securities are either very short duration or thinly traded. Additionally, the two most recent stresses on money market funds, SIVs and the collapse of major debtors would not have been forewarned or reduced by such data collections.
- The posting of human readable versions of Form N-MFP on a fund's web site should be encouraged (after final determination of confidentiality) but not required. The posting of such should not be a replacement to the required web disclosure. The form and content of Form N-MFP is vastly greater than the required web site posting and could minimize the Commission's intent to make the web site information user friendly. Obviously in all cases, data elements required of the web site posting and Form N-MFP filing must be consistent.

We would be pleased to discuss our comments and to answer any questions the Commission or Staff may have. Please do not hesitate to contact me directly at 201.508.6030 regarding our submission.

Sincerely,



Brian C. Essman  
President and Chief Executive Officer

Encl.: As stated

**Industry burden relating to:  
Securities and Exchange Commission Proposed Rule Money Market Reform  
Burden related to web site and new form N-MFP**

<u>Initial Year</u>				<u>Subsequent Annual Burden</u>				<u>3 Year Fund</u>		<u>Impacted Funds</u>	<u>3 Year Industry</u>		<u>Forward Annual Industry Burden</u>	
<u>Hours</u>	<u>Rate</u>	<u>Cost</u>	<u>Note</u>	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>	<u>Note</u>	<u>Total Cost</u>	<u>Average Cost</u>		<u>Total Cost</u>	<u>Average Cost</u>	<u>Cost</u>	<u>Hours</u>
<u>Estimated 500 funds posting portfolio holdings on a voluntary basis:</u>														
n.a.	n.a.	n.a.		48	\$ 206.00	\$ 9,888	b.	\$ 29,664	\$ 9,888	600	\$ 17,798,400	\$ 5,932,800	\$ 5,932,800	28,800
<u>Estimated 150 funds not posting holdings on a voluntary basis:</u>														
24	\$ 206.00	\$ 4,944	a.											
48	\$ 206.00	\$ 9,888	b.	48	\$ 206.00	\$ 9,888	b.							
72		\$ 14,832		48		\$ 9,888		\$ 34,608	\$ 11,536	150	\$ 5,191,200	\$ 1,730,400	\$ 1,483,200	7,200
<u>Estimated 750 funds filing Form NQ 2 times per year:</u>														
n.a.	n.a.	n.a.		-8	\$ 78.48	\$ (628)	e.	\$ (1,884)	\$ (628)	750	\$ (1,412,640)	\$ (470,880)	\$ (470,880)	(6,000)
<u>New Rule 30b1-6 and Form N-MFP:</u>														
32	\$ 281.00	\$ 8,992	c.											
96	\$ 281.00	\$ 26,976	d.	96	\$ 281.00	\$ 26,976	d.							
128		\$ 35,968		96		\$ 26,976		\$ 89,920	\$ 29,973	750	\$ 67,440,000	\$ 22,480,000	\$ 20,232,000	72,000
<u>Reprogramming of existing web sites to accommodate 12 month history:</u>														
24	\$ 206.00	\$ 4,944	a.	n.a.	n.a.	n.a.		\$ 4,944	\$ 1,648	600	\$ 2,966,400	\$ 988,800	\$ -	-
<u>Filing review of New Form N-MFP:</u>														
n.a.	n.a.	n.a.	n.a.	72	\$ 78.48	\$ 5,651	f.	\$ 16,952	\$ 5,651	750	\$ 12,713,760	\$ 4,237,920	\$ 4,237,920	54,000
											\$ 104,697,120	\$ 34,899,040	\$ 31,415,040	156,000

Notes:

- a. Webmaster creating site, page 139 and 140 SEC Proposing Rulemaking Money Market Fund Reform
- b. Webmaster maintaining site, page 139 SEC Proposing Rulemaking Money Market Fund Reform
- c. Senior database administrator initial mapping and set-up, page 147 SEC Proposing Rulemaking Money Market Fund Reform
- d. Senior database administrator monthly processing, page 147 SEC Proposing Rulemaking Money Market Fund Reform
- e. Mutual fund mixed staff, page 139 SEC Proposing Rulemaking Money Market Fund Reform
- f. Mutual fund mixed staff with an estimated hourly cost based on note e. and 6 incremental hours per filing per fund for compliance and internal review. 6 hours are estimated based on the greater level of data disclosed, as compared to the existing disclosures of Form NQ.

Color Code:

Commission data

Incremental costs not calculated by Commission