



Office of Mayor John Cranley

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August 25, 2017

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, DC 20510

Dear Senator Brown:

I am writing you because I am concerned about an issue that is pending in the Senate Banking, Housing and Urban Affairs Committee. Senate Bill 1117 (S. 1117). S. 1117, bipartisan legislation, will help correct a rule the Securities and Exchange Commission passed concerning Money Market Funds (MMFs) and the creation of a transition from a stable Net Asset Value (NAV) to a floating NAV. Most importantly, S. 1117 will correct currently problematic regulations and will help lower the cost of borrowing for important infrastructure projects in Cincinnati.

As the Mayor of Cincinnati I am responsible for providing services to Cincinnati's residents in the most cost effective and efficient way possible. We have had to do more with less since the Great Recession and the massive reduction in the Local Government Fund (LGF) imposed by the leadership at the Statehouse in Columbus. I am concerned that the current SEC rule change has reduced the pool of investors, and thus increased the cost of borrowing for local governments and our ability to build and maintain critical infrastructure. Many MMFs, historically the largest purchaser of the tax exempt bonds issued by governmental and nonprofit entities, have already closed due to this rule change, taking more than \$1 trillion out of the MMF market.

The current law has limited the ability for money market funds to purchase short term debt obligations of a city like Cincinnati. Most local government debt obligations are issued to finance important local infrastructure, thus the current regulations have been a hindrance to investing in local infrastructure. I have serious concerns that if MMFs are no longer purchasing our bonds that important infrastructure projects like road maintenance and repair are becoming more costly and could delay or limit our current intended infrastructure investment plans. S. 1117 will work to fix this issue.

For the reasons I have stated above and others, groups like the Ohio Municipal League, the Ohio County Commissioners Association of Ohio, the Inter University Council, numerous elected officials and labor leaders across the state are supporting S. 1117. I hope you will support passage of the legislation.

Sincerely,

A handwritten signature in blue ink that reads "John Cranley". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John Cranley
Mayor