



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
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DANIEL F. CAHILL
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October 1, 2018

The Honorable Elizabeth Warren
United States Senate
Washington, DC 20510

The Honorable Edward Markey
United States Senate
Washington, DC 20510

Dear Senators Warren and Markey.

I write you today in proud support of S.1117 – The Consumer Financial Choice and Capital Markets Protection Act of 2017.

As a Massachusetts State Representative and former local official in Lynn, I know firsthand the difficulties facing urban communities in attracting investors and affordable financing for local public infrastructure projects. The SEC's recent rule change that prohibits public finance officers, corporate treasurers, and pension fund managers that invest short-term cash from investing in prime and tax exempt money market funds has led to an exodus of investors from these money market funds. This shift inadvertently led to a dramatic increase in borrowing costs for cities like Lynn, as well as larger non-profits involved in higher education and health care. These increased borrowing costs compounded by the region's high construction costs will likely prevent a number of locally funded projects in the near future. Lynn is preparing to undergo a significant water/sewer separation project directed by an EPA consent decree that will cost Lynn ratepayers approximately \$150 million. Borrowing costs will be critical to making this project financially feasible.

This is a crucial time for the City of Lynn to development our waterfront and downtown areas. Lynn has every intention of investing in its future, but should the costs of borrowing for municipalities continue to rise, we fear necessary infrastructure projects will not move forward.

I thank you for your service to the Commonwealth and consideration of this important piece of legislation.

Sincerely,

A handwritten signature in cursive script that reads "Daniel F. Cahill".

Daniel F. Cahill
State Representative
10th Essex District