INDIANA CHAMBER
LEADING BUSINESS | ADVANCING INDIANA

June 8, 2015

The Honorable Joe Donnelly
United States Senate
720 Hart Senate Office Building
Washington, D.C. 20515

Dear ~~Senator Donnelly~~: Joe

I am writing on behalf of the Indiana Chamber of Commerce and our nearly 5,000 members to bring your attention to a bill that will soon be introduced in the U.S. Senate to respond to an egregious case of regulatory overkill.

As you will see from the attached, for more than two years the Indiana Chamber has been critical of misguided efforts to force institutional investors out of stable net asset value (NAV) money market funds into "floating" funds. In our January 7, 2013, letter to then-Treasury Secretary Tim Geithner, we voiced our strong opposition to such an edict for four basic reasons: it would hobble cash management, drive up the cost of doing business, increase the cost of financing and create a financing gap. However, the regulators ignored our arguments—and the opposition of every major organization representing the interests of institutional investors with cash management needs from the business, state and local government and higher education sectors—when last July the Securities and Exchange Commission (SEC) enacted a rule that the SEC chair said at the time "fundamentally changes the way that money market funds operate."

Why do we think the rule is such a bad idea? For the same four reasons we voiced more than two years ago, which boils down to the most fundamental reason of all: it takes away from the most sophisticated investors in the country, corporate treasurers and CFOs, a cash management tool that they should not lose by administrative dictate. Stated another way, if such seasoned institutional investors do not want to avail themselves of stable NAV funds, then they already have the option to invest in floating funds, but have chosen not to do so. Regulators should listen to the demands of the marketplace in this instance.

Thankfully, the proposed "Consumer Financial Choice and Capital Markets Preservation Act of 2015" (attached) will soon be introduced to counteract the SEC rule and return investment decisions to where they belong: institutional investors with fiduciary responsibilities to invest their cash in accessible, predictable funds.

We hope you will agree that this legislation is vital in order to ensure that institutional investors—not regulators—control their own investment decisions. If you do agree, we respectfully request that you add your name as a co-sponsor of this or House companion legislation.

Thank you for considering this request. I am happy to provide any additional information you may need.

Sincerely,

Cameron Carter
Vice President, Economic Development & Federal Affairs

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