

SENATE OF VIRGINIA

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COMMITTEE ASSIGNMENTS:
EDUCATION AND HEALTH
FINANCE
PRIVILEGES AND ELECTIONS
TRANSPORTATION

May 26, 2016

The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, DC 20510

Re: S. 1802 – Consumer Financial Choice and Capital Markers Protection Act of 2015

Dear Senator Warner:

As Chairman of the Virginia Senate Committee on Transportation, I am keenly aware of the need to adequately fund and maintain the Commonwealth's vast transportation infrastructure network. Our roads, bridges, tunnels, and airports help keep us economically competitive, and help our citizens travel safely and efficiently.

Maintaining this system, as you know, is costly. States and local governments must continue to have funding options available that ensure the most resourceful use of scarce tax dollars. Fortunately, bipartisan legislation – S. 1802 – has been introduced to help preserve money market funds as a viable and cost-effective source of financing for public infrastructure projects. These funds are the largest purchases of short-term debt issued by municipalities, much of it for transportation-related projects – about \$64 million currently in the Commonwealth.

S. 1802 would preserve the stable net asset value (NAV) for money market funds, allowing them to continue functioning as a strong source of tax-exempt capital for public transportation projects. With the Securities and Exchange Commission (SEC) rule set to take effect in October that would require a shift to a floating NAV, we are already seeing some of these funds withdraw from the marketplace, limiting investment options. S. 1802 would help retain the indispensable financing options provided by money market funds for state and local government entities in Virginia and throughout the country.

Sincerely,

A handwritten signature in blue ink that reads "Bill".

Bill Carrico
Chairman, Senate Committee on Transportation