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September 6, 2016

The Honorable Jeb Hensarling
Chairman, Financial Services Committee
U.S. House of Representatives
2222 Rayburn House Office Bldg.
Washington, DC 20515

Dear Chairman Hensarling,

I'm writing to you today because the Institute for Policy Innovation, a 29 year-old free-market public policy research organization in Dallas, has become concerned about the SEC's new money market rules scheduled to take effect on October 14th.

As you probably know, these rules have already made it more expensive for borrowers in the private sector to invest and grow their businesses, and have made it much more expensive for municipalities to issue bonds for critical infrastructure such as schools. We're concerned that inadequate attention has been given to these rules, and we would hope that your committee would hold a hearing and consider whether the perceived benefits justify the costs to the economy. We're of the opinion that they do not, as money market funds are already among the safest places for individual savers and businesses to park cash.

Additionally, I've become concerned that rules like this are part of an agenda by the Treasury Department to favor government debt over private sector and municipal debt. We've seen a number of new rules and policies that seem intended to divert money into the debt of the federal government at the expense of other sectors, and I'm concerned this may be an intentional strategy of the Treasury Department to manage the burgeoning federal debt. I've attached an op/ed I've submitted for publication along these lines for your consideration.

Please consider doing what you can to draw scrutiny to these new rules, and to hopefully slow or delay their implementation until they have been adequately considered by the people's elected representatives. We at IPI stand ready to be of any assistance possible to you in this matter.

Sincerely,

Tom Giovanetti
President