



October 7, 2016

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
U.S. House of Representatives
2228 Rayburn HOB
Washington, DC 20515

Dear Chairman Hensarling:

Yes,

On behalf of the Lower Colorado River Authority, I am writing to request your support for H.R. 4216, the "Consumer Financial Choice and Capital Markets Protection Act," and to urge the House Financial Services Committee to act on this bipartisan legislation as quickly as possible.

Like other state and local government organizations, LCRA relies on access to robust capital markets to finance the construction and maintenance of our infrastructure projects. Money market funds facilitate that access by investing in short-term municipal debt that normally is held to maturity. That access has been put at risk by a Securities and Exchange Commission rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable net asset value basis. Instead, beginning Oct. 14, 2016, such funds would be required to use a floating net asset value. Bipartisan, bicameral legislation has been introduced in Congress to permit money market funds that invest in the short-term debt of commercial entities and state and local governments to continue to use amortized cost accounting for valuing fund assets. The legislation preserves money market funds as a source of liquidity and capital for the public infrastructure needs of our citizens.

H.R. 4216/S. 1802, the Consumer Financial Choice and Capital Markets Protection Act, is bipartisan legislation that will preserve access for government-established entities, like LCRA, to capital and promote economic development by expressly permitting any money market fund with the choice to operate on a stable net asset value basis if it adheres to certain requirements and restrictions.

LCRA has three commercial paper programs with a total authorized size of \$525 million that we use as a critical component of our project financing process. Rates paid by LCRA through these programs were less than 0.12 percent early during the calendar

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year, but we have seen our rates exceed 0.75 percent in recent weeks as investors demand a higher yield in anticipation of the SEC rule this month. This results in a very real increase in our cost of financing our infrastructure projects – a cost ultimately borne by the Texans we serve.

H.R. 4216 is vitally important to LCRA, and your leadership will be critically important to advancing it through committee and on to the floor of the House.

With greatest appreciation for all that you do for our nation, I remain

Most sincerely yours,



Phil Wilson
General Manager

CC: The Honorable Randy Neugebauer
The Honorable Roger Williams
The Honorable Al Green
The Honorable Rubén Hinojosa
The Honorable Pete Sessions