



OPERATING ENGINEERS 324
Douglas W. Stockwell - Business Manager

The Honorable Debbie Stabenow
United States Senate
432 North Saginaw Street
Suite 401
Flint, MI 48502

The Honorable Gary Peters
United States Senate
515 North Washington Avenue
Suite 301
Saginaw, MI 48607

Dear Senator Stabenow and Senator Peters:

As you know, Operating Engineers 324 represents over 14,000 men and women working across Michigan who are at the controls of complex temperature systems, heavy equipment or building roads, bridges, pipelines and water systems. In addition, we provide training, improve safety and prepare our members for the hard work in front us to build out America's infrastructure. Improving infrastructure is an idea that should unite a fractured federal government as it is a top priority for Congress and the President.

It is our top legislative priority as well.

We write you today to request your support for an important issue facing infrastructure financing. Governor Snyder commissioned the 21st Century Infrastructure Commission last year comprised of state and independent industry experts, and they concluded we needed \$4 billion above current levels on infrastructure annually. The legislature is talking about using bonds just as many municipalities, colleges, hospitals and counties use tax-exempt bonds to finance their public work projects. Money market funds (MMF) have, historically, been major investors in these bonds, providing a reliable pool of very inexpensive capital for large scale projects.

Unfortunately, the Securities and Exchange Commission (SEC) adopted a rule that went into effect last October that is having very real negative, if unintended, consequences for the ability of state and local governments to utilize MMFs as a source of low cost capital for infrastructure investment. Michigan alone has lost over \$2.2 billion of tax-exempt funding from MMFs as a result of the SEC rule because certain funds can no longer transact business using a \$1 a share stable net asset value (NAV), which is essential for predictability and safety of investment principal. The data indicates that the MMF pool has been decimated, rates have gone up 40x and the trend does not appear to be leveling off as supply shrinks and demand grows. Isn't this a boon for Wall Street at the expense of local jobs?

Your colleagues in the Senate, Senators Toomey (R-PA), Manchin (D-WV), Rounds (R-SD) and Menendez (D-NJ) have introduced a legislative fix to this challenge that we hope you can co-sponsor. It is S. 1117. Please write back, so we know your position on this important issue.

Thank you for your attention and consideration of our request. We look forward to working with you on this and other challenges to help Michigan's working families succeed.

Sincerely,

A handwritten signature in black ink that reads 'Douglas W. Stockwell'. The signature is fluid and cursive.

Douglas W. Stockwell
Business Manager & General Vice President