

Sept. 6, 2018.



The Honorable Jon Tester
311 Hart Senate Office Building
Washington, DC 20510-2604

Dear Senator Tester:

I am writing to urge your support for S. 1117, bipartisan legislation under consideration in Congress to remedy an unintended consequence of an obscure money market reform rule change that took effect in October 2016.

A Securities and Exchange Commission (SEC) rule, which required institutional prime and tax exempt money market funds to switch from a fixed net asset value to a floating net asset value, caused short-term borrowing costs for infrastructure and other related projects to more than double as \$1.2 trillion in private capital shifted from prime and tax-exempt funds to funds that invest only in U.S. Government debt.

As long as that money stays parked in those U.S. Government funds, it is not available to invest in facilities and capital improvements for local schools, hospitals, universities, sewer and clean water facilities, roads and bridges, airports, public transit, affordable housing, and other job creating infrastructure projects in Montana. All of these infrastructure priorities received significant low-cost, short-term financing through prime and tax-exempt municipal money market funds. When the cost of economic development and infrastructure investment increases, there is a potential for the projects to get scaled back or delayed. The men and women we represent often work on these public infrastructure projects and they could lose opportunities for good paying jobs that help support their families.

We, along with numerous public and private sector finance officers, mayors, county commissioners, school board officials, public housing administrators, and building and construction trades, strongly urge you to support S. 1117, and advocate for its adoption.

Sincerely,

A handwritten signature in black ink that reads 'Cary Hegreberg'. The signature is written in a cursive, flowing style.

Cary Hegreberg, executive director
Montana Contractors' Association
(406) 442-4162