

September 19, 2008

The Honorable Christopher Cox  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Dear Chairman Cox:

The Investment Company Institute supports the goals of the temporary emergency actions taken by the SEC today to address market manipulation and abuses related to short selling. The integrity and quality of the securities markets, and investor confidence in those markets, is critical to our members.

I am writing to express serious concerns, however, regarding one aspect of the new disclosure rule that will temporarily require that institutional money managers report information about daily short sales of securities - the provision that information about a fund's short positions will be made publicly available on EDGAR.

As you know, the confidentiality of information about a fund's securities holdings is a critical issue to Institute members. Any leakage of this information can lead to frontrunning of a fund's trades, adversely impacting the price of the stock that the fund is buying or selling to the detriment of fund shareholders. The Institute and its members have been working hard to address issues relating to the confidentiality of this information. Public disclosure of a fund's short positions has the potential to seriously impair these efforts and to facilitate the frontrunning of a fund's security positions.

We urge the SEC to address this aspect of the order and, at the very least, to make these filings and the accompanying information non-public. This will not impair the stated goals of the emergency order - to address market manipulation and short sale abuses - and would address the unintended consequences of the provision that we believe will occur if the order goes into effect in its current form.

Clearly, time is of the essence in addressing these concerns as the order goes into effect this Monday, September 22, 2008 and the first form including this information will be required to be publicly filed on September 29, 2008.

I appreciate your prompt attention to this matter and offer our assistance to the Commission in examining this issue. Please feel free to contact me at 202-326-5901 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Paul Hewitt". The signature is written in a cursive style with a large, looped initial "P".

cc: The Honorable Kathleen L. Casey  
The Honorable Elisse B. Walter  
The Honorable Luis A. Aguilar  
The Honorable Troy A. Paredes

Erik R. Sirri, Director  
Division of Trading and Markets

Andrew Donohue, Director  
Division of Investment Management