ADVANCED SERIES TRUST
PRUDENTIAL SERIES FUND
PRUDENTIAL GIBRALTAR FUND, INC.
GATEWAY CENTER THREE
100 MULBERRY STREET
NEWARK, NEW JERSEY 07102-4077

August 14, 2008

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Attention: Ms. Florence E. Harmon, Acting Secretary

Re: File No. S7-19-08

Ladies and Gentlemen:

I am writing on behalf of the Board of Directors of the Advanced Series Trust, Prudential Series Fund, and Prudential Gibraltar Fund, Inc. Our Board, which consists of seven "independent" and two management directors, oversees 84 investment portfolios with more than $68 billion in assets. Among these portfolios are two money market funds having assets of more than $3.9 billion.

We are responding to your recent proposal to amend Rule 2a-7 under the Investment Company Act (along with other rules) by eliminating existing references to ratings issued by nationally recognized statistical rating organizations (NRSROs). Specially, we vigorously disagree with the notion that a money market fund's board of directors should determine: (1) that each portfolio holding presents "minimal credit risks" and (2) whether each portfolio holding is a "First Tier Security" or a "Second Tier Security".

Credit Risk Determinations

Currently, an "Eligible Security" includes an instrument that has received one of the two highest short-term rating categories from an NRSRO. The Commission proposes that a security would be an Eligible Security under the Rule "if the board of directors determines that it presents minimal credit risks, which determination must be based on factors pertaining to credit quality and the issuer's ability to meet its short-term financial obligations." According to the Commission, its proposed changes would substitute references to NRSRO ratings in Rule 2a-7 with "alternative provisions that are designed to appropriately achieve the *same purpose as the ratings*." (emphasis added) We disagree. The Commission's proposal, in our view, represents a significant and unsupportable extension of the board's current role under Rule 2a-7.

Especially if our current ability to rely on NRSRO assessments is taken off the table, we don't believe that money market fund boards of directors have the necessary expertise to

determine whether a portfolio holding presents "minimal credit risks" and we don't understand how the Commission could possibly believe that fund directors are well-equipped to make that determination. We have little or no professional experience in the area of credit risk ratings. How is it that a fund board could be seriously considered a credible substitute for NRSROs? We cannot now (and likely will never) "serve the same purpose" as that of a rating agency.

Continued Reliance on NRSRO Ratings

The Commission would continue to permit reliance on NRSRO ratings so long as the board concludes they are "credible." Further, the Commission concedes that this would require a board to make "an independent judgment of risk." How should the board make this judgment? Perhaps it could hire a consultant. But wouldn't that result be essentially a rearranging of the deck chairs? We would substitute the judgment of a third party (the NRSRO) for that of another (the consultant). This rearranging of deck chairs might not be harmful were it not for two inevitable consequences of the Commission's proposal: (1) the increased costs that will be associated with board (or consultant) determinations necessitated by the changes; and (2) the unnecessary and incredibly burdensome expansion of the oversight role of fund directors.

First and Second Tier Determinations

The Commission has proposed that the determination of whether a security is deemed to be a "First Tier Security" or a "Second Tier Security" be made by a fund's board based on the board's evaluation of whether "the issuer has the highest capacity to meet its short-term financial obligations." Securities of issuers that meet this "highest capacity" standard would be in the "First Tier" and securities of issuers that do not would be in the "Second Tier." Currently, the categorization of a security into "First Tier" or "Second Tier" can be based solely on an NRSRO's rating.

It is misguided, we respectfully suggest, for the Commission to expect directors to credibly assess whether a security is First Tier or Second Tier—whether the issuer of that security has the "highest capacity to meet its short-term obligations" or not. We are no better equipped to make that determination than we are to determine whether a security presents "minimal credit risks."

Role of Directors

Fund directors are not ratings and risks experts. If the Commission believes that NRSROs have failed or are somehow broken despite the tremendous amount of resources they devote to assessing the credit-worthiness of often complex money market instruments, we find it difficult to believe that a mutual fund board of directors could do a better job.

Fund directors are not and should not be considered the band-aid for every problem that arises in the industry. We agree wholeheartedly with Commissioner Atkins' remarks of less than a year ago at an Independent Directors Council meeting:

> "If the concerns that you raise go unaddressed, it could become more difficult for funds to attract independent directors. After all, independent directors' list of

> duties is longer than ever as the SEC relies more heavily on them than ever before. Rhetoric about the responsibilities of the independent directors has perhaps unduly inflated expectations of the role that independent directors should play. You seem to be looked upon as part of the solution to every problem in the fund industry . . . The SEC can contribute to the goal of attracting good independent directors by encouraging independent directors to focus their efforts on the areas in which they can contribute the most. The SEC should eliminate unnecessary obligations, think carefully before imposing new ones, and assist independent directors in complying with the remaining obligations."[**]

Our Recommendation

We strongly urge the Commission to reconsider its proposal and relieve fund directors of any direct responsibilities for final determinations as to the credit-worthiness of specific instruments. If NRSROs are indeed broken, then we ask the Commission to do all that it can to fix them so that those institutions can continue to play a pivotal role under Rule 2a-7. If, though, the Commission decides that NRSROs are beyond repair, the Commission, in our view, should expressly provide that the fund board would have only a general oversight duty to establish and monitor procedures relating to credit assessments. Actual credit determinations themselves would continue to be delegated to the investment adviser, who could take into account ratings provided by the NRSROs, as well as research provided by financial services firms and any other input that the adviser deems appropriate.

* * *

We appreciate the opportunity to comment upon these important proposals.

Very truly yours,

/s/ Thomas Mooney

Thomas Mooney, Board Chair
Advanced Series Trust, Prudential Series Fund,
and Prudential Gibraltar Fund, Inc.

cc: Board of Directors, Advanced Series Trust,
Prudential Series Fund and Prudential Gibraltar Fund, Inc.

Saul K. Fenster	John A. Pileski
Delayne Dedrick Gold	F. Don Schwartz
W. Scott McDonald, Jr.	Robert F. Gunia
Thomas M. O'Brien	David R. Odenath

[**] *Remarks before the Independent Directors Council*, Commissioner Paul S. Atkins, U.S. Securities and Exchange Commission, November 28, 2007.