

Congress of the United States
Washington, DC 20510

August 10, 2015

The Honorable Mary Jo White
Chair
Securities and Exchange Commission
100 F Street, NE
Washington D.C. 20549

Dear Chair White:

We respectfully write to request that the public comment period for the U.S. Securities and Exchange Commission's (SEC) May 20, 2015, Notice of Proposed Rulemaking (NPRM) on investment company reporting modernization be extended for an additional 90 days in order to allow affected stakeholders additional opportunity to review carefully and comment on the proposal. We are specifically concerned about the SEC's proposed Rule 30e-3, which would eliminate the current requirement that important mutual fund information be transmitted to investors in paper form. Given the significant adverse impact this rule would have on our nation's small investors, especially on those who reside in rural communities without broadband connectivity, allowing sufficient time for thoughtful review and commentary on the proposed rule is an appropriate precaution to ensure the SEC is able to hear thoroughly from all interested parties.

Under current SEC rules, mutual fund investors may already choose to opt-in to electronic delivery of financial reports. Only a small percentage, however, chooses to do so. As proposed, Rule 30e-3 would permit funds to satisfy shareholder report requirements by simply making shareholder reports and quarterly portfolio holdings available online, unless otherwise requested. Investors would be sent a letter announcing the switch to digital delivery. A lack of response would be deemed "implied consent" to the switch. The effect of such a change would be to shift the burden onto investors.

We have a number of concerns about this proposal, including the potential for the letter to opt-out of electronic delivery to be inadvertently discarded and for access to important information that investors need to make investment decisions to be impeded. This concern is especially relevant for rural consumers, elderly investors, those with disabilities, and minority Americans who are less likely to have regular Internet access.

We appreciate that you flagged this as a potential issue on which you wanted to receive comments. It is clear that in drafting the rule, the SEC attempted to protect those who will continue to rely on paper as the rule acknowledges that "it is critical that these investors continue to receive disclosure in a means that is convenient and accessible for them." Our concern, however, is that the safeguards in the proposed rule will not adequately ensure that those who rely on paper delivery will continue to have access to this important information.

Eliminating the current default requirement of paper delivery in favor of electronic delivery may be a cost-saving measure for investment companies, but potential savings could come at a price for those U.S. investors. Data suggest that vast cross-sections of the investing public do not prefer, or cannot reliably depend on electronic delivery. According to the SEC's own study conducted by Siegel + Gale in 2012, 71 percent of investors said they prefer to read annual reports in paper format.

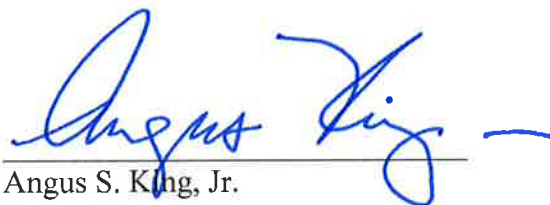
Many interested stakeholders did not become aware of the proposal until recently and would like an opportunity to provide input. For this reason, the current 60 day comment period is not sufficient for the SEC to evaluate fully the potential impacts of Rule 30e-3. We, therefore, respectfully urge the SEC to extend the comment period for its NPRM by an additional 90 days.

Thank you for your consideration. We look forward to your prompt response to our request.

Sincerely,



Susan M. Collins
United States Senator



Angus S. King, Jr.
United States Senator



Bruce Poliquin
United States Representative