CENTER FOR CAPITAL MARKETS
COMPETITIVENESS

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August 11, 2015

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: **Proposed Rules on Investment Company Reporting Modernization; Release Nos. 33-9776; 34-75002; File No. S7-08-15; RIN 3235-AL42**

Dear Mr. Fields:

The U.S. Chamber of Commerce[1] ("Chamber") created the Center for Capital Markets Competitiveness ("CCMC") to promote a modern and effective regulatory structure for capital markets to fully function in a 21st century global economy. It is an important priority of the CCMC to advance an effective and transparent corporate governance system that encourages shareholder communications and participation.

We appreciate the Securities and Exchange Commission's ("SEC" or "Commission") thoughtful and balanced approach to shareholder communications under proposed rule 30e-3 (the "Proposed Rule"), which provides a new option for "notice and access" delivery for the dissemination of annual and semi-annual reports under the Investment Company Act of 1940 (the "'40 Act"). CCMC agrees that modernizing the manner in which periodic information is transmitted to shareholders is an important objective for the Commission. Such initiatives are in line with the Commission's tripartite mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

[1] The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than three million businesses and organizations of every size, sector, and region.

As the Commission moves forward with modernizing reporting rules under the '40 Act, we urge you to also recognize the growing importance of electronic delivery of shareholder reports under existing SEC guidance. CCMC has long supported greater use of web-based communications and technology, finding that they increase shareholder access to key information about their investments and promote constructive shareholder engagement with management.[2] Facilitating shareholder communication through electronic means meets the needs of many investors, improves efficiencies in delivery, and reduces the cost of delivering communications, providing additional savings to shareholders.

In this context, we believe that it is important for the Commission to assess whether there are any unnecessary costs associated with the Proposed Rule and how electronic delivery of shareholder reports can be further expanded with the consent of mutual fund investors. Such unnecessary costs under the Proposed Rule include the business return envelope, which includes postage costs that can make the Proposed Rule more costly than electronic delivery. We believe that careful analysis and study of these and other costs should be considered as the Commission finalizes the Proposed Rule.

We also support several of the Commission's current initiatives to promote electronic delivery. For example, the SEC's guidance on electronic delivery has helped spur dramatic growth in regulatory communications via electronic means. We also support the incentivization of enhanced broker internet platforms ("EBIPs"), which permit brokers and funds to display shareholder reports on a broker's client website. Providing direct access to shareholder reports on an EBIP (rather than through a link that redirects an investor to a different website) improves the availability of key information to investors and helps aggregate decision-useful information for an investor in one location.

In sum, we applaud the Commission's work in modernizing the rules relating to the dissemination of shareholder annual and semiannual reports. The Proposed Rule is an important part of this initiative, and we encourage the

[2] *See* U.S. Chamber of Commerce, Letter to Securities and Exchange Commission on Roundtable on Proxy Voting (Feb. 18, 2015), *available at* http://www.sec.gov/comments/4-681/4681-6.pdf.

Commission to continue studying how the rule can be improved and how direct electronic delivery of these important documents can be further promoted.

Sincerely,

David Hirschmann