

Congress of the United States
Washington, DC 20515

June 22, 2016

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

Dear Chair White,

We write today to express support for proposed rule 30e-3 as it seeks to modernize and enhance communications between mutual funds and investors. In permitting funds to move to an online delivery default, the rule would offer fund shareholders tremendous cost savings, while protecting investors' access to paper reports. It is crucial that shareholders maintain the ability to receive reports in a way that aligns with their preferences and we commend the SEC for preserving that choice in the proposed rule.

We particularly applaud the Commission for its focus on reducing costs for shareholders whenever possible. Shareholders, through their funds, bear the cost of printing and mailing reports. Current SEC regulations effectively mandate these printing and mailing costs. Significantly reducing the costs associated with these mailings is a logical step that will save investors billions of dollars. In addition to the incredible cost savings, the online delivery default preserves investor choice. Any shareholder who prefers paper will not be limited to online delivery and may still elect to receive a paper report in the mail. Importantly, under the proposed rule, funds are required twice yearly to notify shareholders by mail of their right to receive paper reports and how they may effectuate that preference. We also note that the proposed rule would have a significant environmental impact by saving an estimated two million trees each year.

Due to the significant rise in internet usage over the past ten years, it is not surprising that an online delivery default would be inevitable. According to Pew Research Center, approximately 85 percent of Americans have internet access. Internet access rates are even higher for mutual fund shareholders – over 90 percent, with a large portion of the population using the internet to manage their finances. The SEC's proposal simply reflects the reality of investors' continued transition to accessing information online.

We urge the Commission to adopt proposed rule 30e-3 and extend the massive cost savings to investors.

Sincerely,


Mark Kirk
U.S. Senator


Mark Warner
U.S. Senator