



August 31, 2020

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20**

Dear Ms. Countryman:

On behalf of Advanced Drainage Systems (NYSE: WMS), a leading provider of innovative water management solutions in the stormwater and on-site septic waste water industries, I am writing to express our opposition to the Commission's proposed amendments to the Form 13F reporting rules for institutional investment managers.

As I am sure you know, 13F filings are the only accurate source of ownership information available to corporate issuers. While 13F filings are not as timely as they could be, they are the only data source that shows which "street name" investors are buying or selling our shares each quarter. Our company uses 13F data to allocate the limited time of our senior executives among the many requests that we receive from investors for one-on-one calls and meetings. We cannot possibly say yes to every investor request to speak with our senior management, so we try to give priority to not only our largest investors, but also shareholders who have or could significantly increase their positions in our stock. With this proposed increase in the threshold, we would not have visibility into this important group. In fact, we estimate that the proposed increase in the 13F threshold to \$3.5 billion would impact over 31% of our current institutional shareholders, including three of our top-15 largest shareholders.

The loss of this essential 13F data also would impede our ability to identify, attract and engage with new long-term institutional investors. Like many other mid-cap issuers, we use 13F filings to identify potential shareholders (such as those who have invested in similar companies) and to measure the effectiveness of our outreach efforts to prospective investors. Both of these practices are essential for our company to effectively access the capital markets and to grow our business. Like other similarly sized companies, our shareholder base has turned over several times since our initial public offering in 2014. But for 13F data, we would not have been able to efficiently manage the constant transition in shareholders, which ultimately would have negatively impacted

our valuation. Our ability to efficiently and effectively access the capital markets is contingent on developing and executing a highly strategic and proactive investor engagement program to attract the attention of, and ultimately ownership from institutional investors. In short, we don't have the luxury of simply waiting for investors to come to us; we must go them, and in order to do that effectively, we need to know more information (not less) about the institutional investment community.

For the foregoing reasons, we request that the Commission withdraw its proposed 13F amendments. Instead, we encourage the Commission to pursue the reforms detailed in the rulemaking petitions submitted by National Investor Relations Institute, the NYSE Group, the Society for Corporate Governance, and Nasdaq.<sup>1</sup> Rather than reduce 13F transparency, we urge the SEC to promote more timely and complete disclosure by supporting monthly reporting, requiring the public disclosure of short positions, and cutting the 45-day reporting period.

Sincerely,

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<sup>1</sup> See NYSE Group, NIRI, and Society for Corporate Governance, Request for Rulemaking Concerning Amendment of Beneficial Ownership Reporting Rules Under Section 13(f) of the Securities Exchange Act of 1934 in Order to Shorten the Reporting Deadline under Paragraph (a)(1) of Rule 13f-1, Petition No. 4-659, February 4, 2013, available at: <https://www.sec.gov/rules/petitions/2013/petn4-659.pdf>; NYSE Group and NIRI, Petition for Rulemaking Pursuant to Sections 10 and 13(f) of the Securities Exchange Act of 1934, Petition No. 4-689, October 7, 2015, available at: <https://www.sec.gov/rules/petitions/2015/petn4-689.pdf>; and Nasdaq, Petition for Rulemaking to Require Disclosure of Short Positions in Parity with Required Disclosure of Long Positions, Petition No. 4-691, December 7, 2015, available at <https://www.sec.gov/rules/petitions/2015/petn4-691.pdf>.