

October 11, 2018

Brent Fields, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Re: Comments on Request for Comment on Fund Retail Investor Experience and Disclosure – File number S7-12-18

Dear Secretary Fields:

My name is Thomas Howard and I represent Domtar, which is a large producer of communication, specialty and packaging papers, market pulp and absorbent hygiene products. We are the market leader in North America in uncoated freesheet papers (UFS) employing nearly 10,000 men and women across the United States, Canada and Europe.

Domtar appreciates the Commission's interest and efforts towards advancing communication and helping to control costs for investors. Unfortunately, the Commission missed the mark on both of these objectives, by not only reducing the reading of shareholder reports, but by increasing the burden on average consumers in the process.

There are several important factors that contribute to citizens' pushback on the Commission's change. The Commission's actions ignore the wishes of approximately three fifths of mutual fund holders who elect to get their information on paper; the remainder have already elected electronic delivery. The government is false in assuming that those who have not made a selection have also not made a decision. The government's assumption in deciding that electronic delivery is preferred is also fallacy, and by using this "implied consent" is forcing those who want to continue receiving this important information on paper to take action in order to resume receiving communications by their preference.

A large percentage of mutual fund shares are owned by private individuals. Owners must be able to decide how they wish to be informed about a fund's performance. Fund managers are duty bound to honor those preferences. This should happen without the government or mutual fund issuers decide what the delivery method is; this decision rests with fund holders. Unfortunately, the switching to electronic delivery of statement has little to do with efficiency and everything to do with mutual fund companies attempting to generate cost savings. We understand and appreciate their desire to control costs, but not at the expense of fund holders.

Mutual fund shareholder reports are critical tools that help many working Americans in planning their financial future. The importance of the information contained in these reports cannot be overstated. Pushing the information to a digital-first platform ensures that fewer people will be viewing the information due to the increased number of steps required to take to access the information digitally.

The rule as adopted does not yet take into account the roughly one-third of Americans who still lack access and/or the technical know-how to receive electronic communications – a population segment that disproportionately skews towards seniors¹, lower-income individuals and rural populations² (2018 FCC Broadband Deployment Report and PEW Research Center - Technology Use among Seniors).

What these reports neglect to mention, is that more and more people use their smartphones to access and browse the internet, in some cases that being the only way they access the internet. But as advanced and impressive as these devices are in their capabilities, reading an in-depth document on a four or five inch screen is as challenging as it is inconvenient.

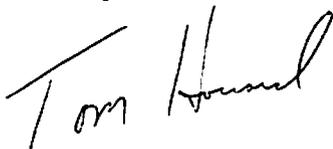
Finally, the Commission's action makes the assumption that every mutual fund holder has the proper IT assets and enough technological savvy to access mutual fund information digitally. Such blanket efforts overlook the plight of millions of Americans who are technologically disenfranchised and go directly against the Administration's efforts of reducing the regulatory and administrative burden on businesses and citizens.

With the majority of fund holders still preferring paper, receiving this communication in electronic format will just lead to more printing at home. Commercial printers are far more efficient than their in-home counterparts; accounting for the additional ink/toner and paper means an additional cost burden on fund holders.

For years, the Commission has been presenting this solution to a problem that does not exist and never did. The majority of shareholders still prefer to receive paper communication and those who prefer electronic means have already made the switch to paperless.

I hope you will take note of these realities and make appropriate recommendations to once and for all leave the choice to consumers instead of making arbitrary mandates that do not benefit the average citizen.

Sincerely,



Thomas Howard
Vice President, Government Relations

¹ <http://www.pewinternet.org/2017/05/17/technology-use-among-seniors/>

² <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2018-broadband-deployment-report>