

From: Perry Grueber
Sent: Tuesday, March 25, 2014 3:32 PM
To: OFM Performance and Planning
Subject: Comment Letter on the SEC's Draft Strategic Plan

3/25/2014

Vikash Mohan
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U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2521

Submitted via e-mail: PerformancePlanning@sec.gov
Re: Comment Letter on the SEC's Draft Strategic Plan

Dear Mr. Mohan:

The Commission recently published a draft strategic plan for years 2014-2018 and invited public comment. Wausau Paper is a 115 year old publicly traded small cap issuer listed on the New York Stock Exchange. We endorse the views offered by Jeff Morgan, CEO of the National Investor Relations Institute (NIRI), in a letter to you dated Mar 14, 2014 (a link to which is provided below). I have been a member of the NIRI organization since 1992, and have served as the chief Investor Relations Officer for four publicly listed companies in that time.

I believe issuers are the foundational constituency in public equity markets and should be core to rule-making affecting how our shares trade hands. In the United States, the public exchange of ownership in shares of companies traces roots to May 1792, when 24 brokers confederated under a buttonwood tree in lower Manhattan, later becoming the New York Stock Exchange. The foundational agreement in 1792 between these brokers contained concisely two sentences committing the compact's parties to preference and a minimum commission. Preference is today by rule effectively forbidden and instead of a minimum, the Commission has set a ceiling on access fees. In contrast, however, and quite confounding, is that the rules governing behavior of the Regulation National Market System alone fill more than 500 pages.

Whatever course the Commission takes in its new strategic plan should emphasize simplification, and a careful examination of the history that made American equity markets the pride of capitalism for 200 years. We offer the following comments and suggestions to the Strategic Objectives of the Commission's draft plan:

Strategic Objective 1.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and prevents abusive practices by registrants, financial intermediaries, and other market participants.

Trading-data disclosure is, plainly and simply, deplorable.

Before the Commission adopted Reg ATS, the Order Handling Rules, Decimalization and Reg NMS, if a public company traded at the NYSE, for instance, most trades met there and the resulting trading data was largely complete. Now, the Commission requires an ever proliferating number of markets to be connected. As a result, a declining fraction of trades occur at the issuer's listing exchange. Additionally, while the happenstance increase in trading volume is seen as positive, an ever increasing majority of

these trades are driven by parties with no vested interest in the issuer, its traditional investors or the many real world stakeholders of the issuer's business.

The Commission has yet to make provision for furnishing to issuers the data they are due from trading now fragmented across 60 market centers and competing exchanges. As an investor representative in effect, I have no means to know the responsible market participants in any trade in a timely fashion. Services available to me rely upon an arcane system of dated reporting and speculation guised as expertise. It's functionally improper that the location of a trade determines its visibility to the issuer. Rules meant to increase intermediary competition have unwittingly disenfranchised the public companies whose shares underpin the entire market, and by extension their shareholders, to who shareholder elected Boards owe a fiduciary duty to comprehend and monitor the forces driving equity value.

This was a mistake that the Commission can rectify.

Here's how: If an issue trades a million shares daily, totaling the volume by market-participants should equal the same million shares. No broker, dealer or alternative trading system should be exempt from disclosure. Volume should include both long and short components (both are already furnished to FINRA). Give FINRA responsibility to compile and provide these data on a one-day delay to interested constituents (costs covered of course). This is transparency. Twenty-first century markets in which trades match in 300 microseconds surely can accurately report with a one-day delay. In this environment of near instant liquidity, we wonder what any participant that might object has to hide.

Second, comporting with what Jeff Morgan noted in NIRI's comment letter referenced above, public companies have the same unamended institutional-ownership disclosure standards as created under Section 13f in 1975.

How many rules have since unfolded affecting exchanges while this one remained static? It's inexcusable that issuers, an enumerated constituency in the Securities Act, have been overlooked for so long in rule-making. Institutions should post ownership positions, long and short, monthly. Complaints that this reporting standard is burdensome for them is simply laughable in a marketplace so awash in instantaneous messaging traffic that less than one trade executes for every hundred quotes. Regulators who designed today's market and fostered these flaws should take appropriate corrective action in response to these reasonable and logical requests.

The current Commission is presented with a meaningful opportunity to foster improvements in disclosure. Thank you for the chance to comment on them. If we can provide any additional information that would be useful to the Commission or its staff in this matter, please contact me at 715.692.2056.

Sincerely,

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