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Valley Forge, PA 19482-2600

September 12, 2016

Submitted electronically

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: **Notice of Filing of Proposed Rule Change Adopting Maximum Fees Member Organizations may Charge in Connection with the Distribution of Investment Company Shareholder Reports Pursuant to Any Electronic Delivery Rules Adopted by the Securities and Exchange Commission (File Number SR-NYSE-2016-55)**

Dear Mr. Fields:

Vanguard¹ appreciates the opportunity to provide our comments to the Securities and Exchange Commission (the “SEC”) on the New York Stock Exchange’s (“NYSE”) proposed rule change regarding the maximum fees member organizations may charge in connection with the distribution of investment company shareholder reports pursuant to any electronic delivery rules adopted by the Commission.² Vanguard agrees with and endorses the comments submitted by the Investment Company Institute (“ICI”) on the NYSE’s proposed rule change. Like the ICI, Vanguard strongly supports approval of the proposed rule change.

As the ICI notes, the NYSE’s proposed rule will ensure costs savings under the online delivery mechanism in the SEC’s proposed rule 30e-3. Vanguard supports such efforts to leverage technology to reduce expenses borne by fund shareholders. Permitting funds to deliver shareholder reports through their websites ensures that investors have the necessary information to make informed investment decisions while reducing the costly expenses associated with printing and mailing shareholder reports. Funds, and their shareholders, will benefit from these reduced fund expenses.

Additionally, the NYSE’s proposed rule change would provide needed explanation regarding how NYSE Rule 451 would apply to electronic delivery of fund shareholder reports, which will allow the SEC to move forward with adopting proposed rule 30e-3. Finally, the proposed rule change is an encouraging

¹ Vanguard is an SEC-registered investment adviser that offers more than 190 funds with aggregate assets of approximately \$3.8 trillion.

² *Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Adopting Maximum Fees Member Organizations may Charge in Connection with the Distribution of Investment Company Shareholder Reports Pursuant to Any Electronic Delivery Rules Adopted by the Securities and Exchange Commission*, SEC Rel. No. 34-78589 (Aug. 16, 2016), available at <https://www.sec.gov/rules/sro/nyse/2016/34-78589.pdf>.

sign of progress towards reforming fund shareholder report delivery fees. We agree with the ICI that the NYSE's proposed rule change represents just the first step in necessary reform of such fees.

We appreciate the opportunity to comment on the proposed rule change. If you have any questions about Vanguard's comments or would like any additional information, please contact Tara Buckley, Senior Counsel, at [REDACTED] or Sandra Burke, Principal, at [REDACTED].

Sincerely,

/s/ Mortimer J. Buckley

Mortimer J. Buckley
Chief Investment Officer
Vanguard

cc: The Honorable Mary Jo White, Chair
The Honorable Michael S. Piwowar
The Honorable Kara M. Stein
David W. Grim, Director, Division of Investment Management
U.S. Securities and Exchange Commission

John J. Brennan, Chairman, FINRA Board of Governors
Robert W. Cook, Chief Executive Officer
Financial Industry Regulatory Authority

Jeffrey C. Sprecher, Chairman
Elizabeth K. King, General Counsel
New York Stock Exchange