



Printing Industries of America, Inc.

February 6, 2006

Mr. Jonathan G. Katz
Secretary, Security & Exchange Commission
Station Place
100 F Street, NE
Washington, DC 20594-9303

Re: Proposed Rule for Internet Availability of Proxy Materials (Release No. 34-52926; File No. S7-10-05; 70FR74598, 12/15/05)

Dear Mr. Katz,

On behalf of the more than 12,000 printing and graphics arts member companies represented by the Printing Industries of America/Graphic Arts Technical Foundation (PIA/GATF), I am writing to express concern with the Securities and Exchange Commission's proposed rule (File No. S7-10-05) that would permit the replacement of the current paper-based proxy materials process with an electronic system of notification and balloting. Under this proposed rule, companies could choose to provide shareholders with annual reports and proxy voting materials electronically, rather than by postal mailed, paper-based copies, and could offer shareholders the option to receive the appropriate information on paper only if requested.

Printing annual reports and proxy materials accounts for a large volume of work produced by our industry, which employs more than 1.2 million workers nationwide. As an industry, we are concerned not only about the negative impacts this proposed rule could have on the jobs associated with printing, but with the harm it could have on our vendors, such as those in the paper and forestry industries, and print's supply chain business, such as fellow manufacturers and mailing shops.

The printing industry, like most other U.S. manufacturing industries, faces significant challenges in the marketplace. PIA/GATF believes that the proposed rule would represent another difficulty and could lead to further job losses and facility closings that have affected printing and allied industries in recent years.

However, potential job loss in the printing and graphic communications industries is not our only concern with the proposed rule. A separate concern is the workability of the electronic system of notification and balloting due to the fact that those without access to the Internet, especially senior citizens and shareholders who fall into the "digital divide" may not utilize fully electronic balloting. Studies show that only 22 percent of Americans 65 years and older use the Internet; therefore more than 75 percent of elderly shareholders may not participate in the proxy voting process and would not receive their annual reports. Furthermore, some consumer research indicates that nearly 45 percent of Americans rely on the confidence, reliability, privacy and safety of receiving information on paper.

One option that could mitigate these concerns would be to offer an "Opt In" process, in which shareholders would continue to receive paper-based materials unless specifically choosing to receive electronic documents, rather than the "Opt Out" process proposed in this rule that provides companies the power to make that decision on behalf of individual shareholders. Under an "Opt In" process, shareholders would continue to receive proxy materials in paper-based form and would only receive the electronic versions if requested. An "Opt In" program would strike an appropriate balance between reducing costs for financial companies and retaining shareholder choice, while also minimizing the negative impacts on the printing industries and our allied economic partners.

PIA/GATF appreciates the ability to express its views on this proposed rule, and looks forward to working with the SEC on this rulemaking in the future. Should you have any comments or questions, please do not hesitate to contact me.

Sincerely,

Lisbeth A. Lyons
Vice President
Government Affairs