

January 26, 2018



The Honorable Rodney Frelinghuysen
Chairman, House Committee on Appropriations

The Honorable Tom Graves
Chairman, House Subcommittee on Financial Services and General Government



The Honorable Thad Cochran
Chairman, Senate Committee on Appropriations



The Honorable Shelley Moore Capito
Chairman, Senate Subcommittee on Financial Services and General Government

Dear Chairmen:

On behalf of the undersigned organizations, we write to urge opposition to any effort to include in a spending bill language that overrides SEC rulemaking aimed at allowing for paperless delivery of mutual fund reports.



Current SEC rules require mutual funds to send paper versions of semi-annual shareholder reports. This process is enormously wasteful and environmentally destructive. An estimated 1.87 million trees are required to provide the 440 million shareholder reports sent each year to approximately 94 million individual shareholders, who ultimately bear the cost of this enormous undertaking. This system simply no longer makes sense at a time when Americans are increasingly logging on to shop, socialize, bank, or use any of the multitudes of other services available over the internet.



Proposed SEC Rule 30e-3 would allow funds to send reports electronically, while also preserving the option to receive paper reports for those who want them. This commonsense effort has met heavy opposition from the paper industry, which stands to lose the billions that mutual fund shareholders would save by allowing paperless reports.



At this powerful lobby's behest, there have been efforts to prevent the SEC from implementing rule 30e-3. We oppose the inclusion of language to this effect in a final FY 2018 appropriations package. First, this type of legislation is best pursued through regular order, not as a rider to "must-pass" appropriations. Second, cronyism is not a sufficient reason for Congress to override efforts at pro-consumer revisions to outdated regulations.

COUNCIL FOR



Modernizing disclosure of mutual fund reports would be both more convenient and cheaper for shareholders, while also benefiting the environment. And those likely few shareholders who wished to continue receiving paper reports would be able to do so. There is no rationale, other than special interest protectionism, for preventing the SEC from updating its disclosure rules. It's time to let mutual funds participate in the 21st century.



Sincerely,

Andrew F. Quinlan
President, Center for Freedom and Prosperity

Norman Singleton
President, Campaign for Liberty

Eli Lehrer
President, R Street Institute

Tom Schatz
President, Council for Citizens Against
Government Waste

Judson Phillips
Founder, Tea Party Nation

James L. Martin
Founder/Chairman, 60 Plus Association

Charles Sauer
President, Market Institute

Seton Motley
President, Less Government

Dan Perrin
Executive Director, HSA Coalition

Jeffrey Mazzella
President, Center for Individual Freedom

George Landrith
President, Frontiers of Freedom

Chuck Muth
President, Citizen Outreach

Jonathan Bydlak
President, Coalition to Reduce Spending

Mario H. Lopez
President, Hispanic Leadership Fund

Pete Sepp
President, National Taxpayers Union

David Williams
President, Taxpayers Protection Alliance

Andrew Langer
President, Institute for Liberty

Jason Pye
Vice President of Legislative Affairs,
FreedomWorks

Steve Pociask
President, American Consumer Institute

Andrew Roth
Vice President of Government Affairs, Club for
Growth

Karen Kerrigan
President & CEO, Small Business &
Entrepreneurship Council

Heather R. Higgins
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