

MEMO# 15750

March 13, 2003

INSTITUTE COMMENT LETTER ON SEC'S PAPERWORK REDUCTION ACT ESTIMATES FOR FILING PROXY VOTING RECORDS ON FORM N-PX

[15750] March 13, 2003 TO: BOARD OF GOVERNORS No. 11-03 CLOSED-END INVESTMENT COMPANY MEMBERS No. 25-03 SEC RULES MEMBERS No. 30-03 SMALL FUNDS MEMBERS No. 12-03 RE: INSTITUTE COMMENT LETTER ON SEC'S PAPERWORK REDUCTION ACT ESTIMATES FOR FILING PROXY VOTING RECORDS ON FORM N-PX Attached is the Institute's comment letter on the SEC's Paperwork Reduction Act burden estimates with respect to Form N-PX on which mutual funds would be required to file their complete proxy voting records. In the comment letter, the Institute states that the Commission has failed to meet its burden in demonstrating that the collection of information required by Form N-PX meets the standards of the Paperwork Reduction Act. Specifically, the Institute argues that the Commission: (1) has failed to demonstrate that the disclosure of fund proxy voting records is necessary for the proper performance of the Commission's functions; (2) has underestimated the burden of the collection of information by understating the costs (both direct and indirect) associated with disclosing proxy voting records and the hourly burden on the industry; and (3) has failed to consider adequately alternatives that would achieve all of the Commission's policy goals. The Institute, therefore, recommends that the Commission withdraw Rule 30b1-4 and Form N-PX under the Investment Company Act and conduct an impact study to evaluate whether disclosure of fund proxy voting records is really necessary to achieve the Commission's goals. Jennifer S. Choi Associate Counsel
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