# H.R. 2441 / S. 1877 – Improving Disclosure for Investors Act of 2025

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## Executive Summary

The Improving Disclosure for Investors Act of 2025 seeks to authorize the Securities and Exchange Commission (SEC) to establish electronic delivery as a permissible default method for regulatory disclosures currently delivered in paper format. The stated intent of the legislation is to modernize investor communications and reduce costs. However, the bill poses significant risks to the U.S. printing, mailing, and postal industries—sectors that form a vital part of the nation’s manufacturing and communication infrastructure. This report summarizes the key provisions of the legislation and evaluates the concerns raised by the Great Lakes Graphics Association (GLGA) and the Americas Printing Association Network (APAN) regarding its long-term impact.

## Summary of Proposed Legislation

Both H.R. 2441 (House version) and S. 1877 (Senate companion bill) direct the SEC to finalize rules within one year to allow covered entities (investment companies, brokers, dealers, and advisers) to satisfy disclosure requirements via electronic delivery. If the SEC fails to act within that timeframe, the legislation automatically authorizes covered entities to proceed with e-delivery under the statute’s framework.

Key provisions include:  
• SEC rulemaking within one year to permit default electronic delivery.  
• Initial paper communication to inform investors of e-delivery transition.  
• Transition period of up to 180 days, followed by two years of annual paper reminders.  
• Permanent right for investors to opt out of e-delivery and receive paper at any time.  
• Removal of ESIGN Act consent requirement for e-disclosures.  
• Direction for the SEC and self-regulatory organizations (e.g., FINRA, MSRB) to revise all rules that still require delivery of documents 'in writing.'

## Industry and Public Concerns

GLGA and APAN, representing the printing and mailing sectors, have raised several substantive concerns regarding the long-term economic, operational, and social impacts of this legislation. The following points summarize these concerns and evaluate their validity based on legislative text and credible data sources.

### 1. Shift in Default Delivery Model and Consumer Preference

Current regulations already permit investors to opt in to electronic delivery, while maintaining paper as the default. This bill reverses that structure, making e-delivery the default and requiring individuals to opt out if they wish to continue receiving paper. According to the 2023–2024 Two Sides North America Consumer Preference Survey, 80 percent of U.S. consumers believe they should have the right to choose how they receive information, and 74 percent oppose fees for paper statements. The majority also perceive 'go paperless' initiatives as cost-driven rather than environmentally motivated.

Legislative Reference: Sections 2(b)(1)(A–C) and 2(b)(4) of both H.R. 2441 and S. 1877 establish e-delivery as default, with limited paper reminders and opt-out options. This validates the concern that the measure structurally favors digital communication.

### 2. Economic Impact on the Printing, Mailing, and Postal Industries

By shifting to default electronic delivery, recurring print volumes for financial statements, shareholder reports, privacy notices, and regulatory mailings will decline sharply after the transition period. The U.S. Postal Service (USPS), already facing structural volume decline (49 percent drop since 2007), depends heavily on First-Class transactional mail—the same category most affected by this bill. Reduced mail volumes will accelerate USPS revenue erosion and place upward pressure on postage rates, further increasing costs for the remaining print-based communications.

Legislative Reference: Section 2(f)(1–2) of both bills instructs the SEC and self-regulatory organizations to remove all 'in writing' requirements, permanently reducing paper-based mailings.

Supporting Data: U.S. Postal Service Q2 FY2025 performance reports; Two Sides NA; Pew Research Center data on digital transitions.

### 3. Disadvantage to Underserved and Digitally Disconnected Populations

Millions of Americans—particularly seniors, rural residents, and low-income households—lack access to reliable broadband, devices, or digital literacy. According to Pew Research (2023), only 73 percent of rural adults have broadband internet, compared to 86 percent in suburban areas. The bill eliminates the ESIGN Act’s consumer-consent protections (Section 101(c)), removing the requirement for individuals to demonstrate digital access before receiving electronic disclosures.

Legislative Reference: Section 2(c) of both H.R. 2441 and S. 1877 removes the ESIGN Act consent requirement, exposing underserved populations to risk of non-receipt.

### 4. Cybersecurity, Privacy, and Data Exposure Risks

Transitioning from physical to digital disclosure increases exposure to cyber threats. The bills impose limited confidentiality measures—only for certain covered entities—and delegate security standards to future SEC rulemaking. Paper documents pose minimal data-theft risk, while digital systems introduce persistent vulnerabilities and breach liability.

Legislative Reference: Section 2(b)(7) limits confidentiality provisions to non-SEC-registered entities, leaving a compliance gap for others.

### 5. Procedural Shortcut and Lack of Public Comment Safeguards

The legislation allows covered entities to implement e-delivery immediately if the SEC misses its one-year rulemaking deadline. This bypasses administrative safeguards and could trigger rapid implementation without sufficient consumer protection or industry input.

Legislative Reference: Section 2(e) of both bills provides automatic authorization for e-delivery if rulemaking is delayed.

### 6. Environmental Misrepresentation (“Greenwashing”)

Supporters of the bill cite environmental benefits to justify paper reduction. However, research by Two Sides NA and the U.S. Forest Service demonstrates that the American paper industry is among the most sustainable manufacturing sectors, with over 65 percent recycling rates and renewable forestry practices. Conversely, digital communication carries hidden environmental costs through data centers and electronic waste. Labeling this legislation as 'green' ignores these facts and misleads the public.

## Conclusion

The Improving Disclosure for Investors Act of 2025 represents a significant policy shift that would undermine the printing, mailing, and postal ecosystem while disproportionately harming consumers who rely on physical communication. Although positioned as modernization, the bill primarily benefits large corporations by reducing costs at the expense of accessibility, choice, industry stability, and data security. These findings substantiate the concerns raised by GLGA and APAN, and justify a coordinated national advocacy response emphasizing the right to paper communication, protection of U.S. manufacturing jobs, and preservation of consumer choice.

## References

• H.R. 2441 and S. 1877 text (119th Congress, 2025)  
• Two Sides North America, 2024 Global Consumer Survey  
• Pew Research Center, 2023 Broadband Access Study  
• U.S. Postal Service Q2 FY2025 Financial Report  
• U.S. Forest Service Sustainable Forestry Data