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October 22, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

File Reference: File Number 4-567, 21st Century Disclosure Initiative

Dear Ms. Morris,

United Technologies Corporation (UTC) welcomes the opportunity to share its views on the Securities and Exchange Commission's (the SEC or the Commission) proposed 21st Century Disclosure initiative. We appreciate the opportunity to reconsider all aspects of the reporting and filing of required financial and other information with the Commission in order to make best use of interactive data. This will greatly enhance the usefulness of disclosure to filers, investors, regulators and other users.

UTC is a \$60 billion global provider of high technology products and services to the building systems and aerospace industries, operating in 186 countries around the world. We have been actively involved with the SEC's Interactive Data efforts through the XBRL voluntary filing program for over three years. During this time, we have been a member of the XBRL US Board of Directors; the Domain Steering Committee and Voluntary Filers Working Group efforts led by XBRL US, and the Assurance Task Force Committee of the AICPA. UTC has participated in the SEC's roundtables on interactive data, and is interested in participating in further projects related to the 21st Century reporting initiative. Moreover, we have submitted 17 furnishings through the Voluntary Filing Program, including the first complete Form 10-Q, and have already voluntarily subjected some of our XBRL filings to attestation in an effort to understand the potential implications. It is with this background and perspective that UTC offers our comments and observations on the SEC's proposal to modernize the disclosure system.

We support the goals of the 21st Century Disclosure Initiative, namely a transition to a disclosure system that is accessible and easier to use, dynamic and organized around core company information. While we support the Commission's phased approach to the 21st Century Disclosure Initiative, we would not want a focus on this initiative to impede the Commission's progress on the reforms being considered arising from the current turmoil in the credit markets. Moreover, we want to be clear that UTC believes that the transition to a modernized disclosure system should not be a method for increasing the frequency of required filings, the quantity of data required to be filed, or a reduction in the regulatory time frame for filing.

We agree with the SEC that the IDEA database is an effective means to reach its goals. There are many benefits associated with a change to the current disclosure system, including:

- Improved access to data, eliminating hours spent searching and extracting from multiple forms
- Enhanced accuracy and comparability of data across companies through XBRL tagging
- Reduced manual effort by filers through the full integration of technology into the reporting process.

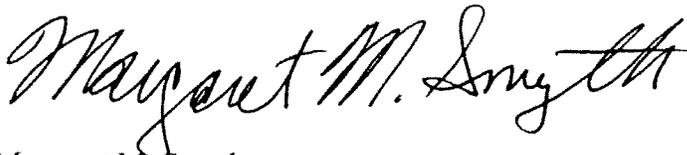
Allowing filers to voluntarily furnish additional information, for example through XBRL tagged earnings releases or press releases, will help establish IDEA as a database of financial information, rather than a database purely of documents.

There are, however, several areas of concern or issues raised by the proposal, including:

- Ensuring adequate security over the information contained in the IDEA database to prevent unauthorized changes being made
- Developing a hierarchy of assurance (audited, reviewed, etc.) to clearly identify to the user whether data points in IDEA are covered by an auditor's attestation or not
- Ensuring a clear distinction between information furnished and filed, and the related issues of company liability
- Creating a transparent process over restating data, clearly indicating how users will be able to identify restated amounts
- Ensuring that any revised disclosure system can seamlessly accommodate changes required for the eventual transition to IFRS.

The attached document contains UTC's comments and observations to the specific questions raised by the Commission; we would be pleased to meet with you to discuss any of the comments we have provided.

Very truly yours,

A handwritten signature in black ink, reading "Margaret M. Smyth". The signature is written in a cursive, flowing style.

Margaret M. Smyth
Vice President, Controller

I. General Issues

a. Should the Commission make changes to its current forms-based disclosure system? Please explain why or why not.

Yes. The current disclosure system is document driven, which does not provide for easy searching across multiple time periods, filing documents or between similar entities. Advances in technology over the last two decades provide an opportunity for the Commission to improve the availability and usability of financial information to those who need it, while lowering the administrative burden on company filers.

b. What are the key issues to be considered in the review of the Commission's disclosure system? Are particular aspects of the system and process especially useful and well executed, and are particular aspects especially in need of improvement?

The EDGAR system has amassed a tremendous volume of data. However, the form and structure of EDGAR does not facilitate easy navigation, search, or reporting. In addition, EDGAR data does not reflect all of the information that an investor, analyst or other interested party may require about a given company. As a result, further searches through other data sources are necessary. A revised disclosure system that enables the electronic filing of other documents and files, beyond those mandated by regulatory disclosure requirements, would transform IDEA into a repository for a comprehensive set of financial and related information. Examples of additional data sets that could be included within IDEA are proxy data, earnings releases, earnings release call presentations and the related transcripts, and analyst reports.

While we advocate an open database structure for IDEA to provide the widest possible access to data, the Commission must give careful consideration to the security surrounding all aspects of the revised disclosure system and IDEA, including authentication at the time of data submission, and protection from unauthorized amendment.

Other considerations include:

- Identifying level of Auditor attestation (i.e. audited versus reviewed versus unaudited data)
- Ensuring a clear distinction between information furnished and information filed, and the related company liability
- Developing a process for the treatment and presentation of restated financial data, clearly indicating that such amounts have been restated from previously submitted data
- Structuring IDEA to be flexible enough to seamlessly accommodate an eventual transition to IFRS

c. What are the purposes of issuer disclosure from the perspective of investors, filers, and regulators?

From the filer's perspective, disclosure provides a means of transparent and timely communication with our investors of the financial position of UTC and its subsidiaries as of a certain date, and the results of our operations and cash flows for certain time periods. Not only does disclosure provide investors with important data about UTC's financial and operating performance results, but it also satisfies SEC regulatory requirements.

II. Specific Issues

a. The Market's Use of Disclosure Information

i. How do operating and investment companies collect, summarize, analyze, file, and disseminate the information that is submitted to the Commission?

The current financial reporting process UTC uses to file its quarterly form 10-Q includes the gathering of underlying financial information from locations worldwide, consolidation at a business level, then overall consolidation of UTC's results at a corporate level. Needed information is then manually extracted from the consolidation system using reports or retrieves and entered into a Word document that will become the 10-Q. Other information required for the 10-Q that is not contained within the consolidation system is received through various supplemental files that are emailed to the corporate headquarters. This information is manually extracted and entered into the Word document. As data is manually adjusted, there is an ongoing validation required that is constantly checking that the information conforms to certain rules and reconciles with its source. As the 10-Q approaches completion in Word, it is disseminated to all the involved parties for review, commentary and approval. Changes from this review group are manually entered into the Word document and again proofed back to the source documents. When complete, the Word document is provided to the filing agent for conversion to HTML, after which a full proof to the underlying Word document is made before the 10-Q is filed in EDGAR.

ii. How do operating and investment companies submit disclosure and reporting information to the Commission? How have these methods changed during the last 15 years, particularly after filing via EDGAR was fully implemented? How could the Commission's system be changed to reduce burdens and create efficiencies, consistent with investor protection?

The entire process described in section II.a.i above takes UTC approximately 850 hours. As data is extracted from our financial reporting system and is managed between multiple documents, nearly 20% of those hours are spent on the non-value added activities of proofing, reading, checking and footing. Additionally, it is this manual aspect of the process that has the greatest potential for errors.

Since the transition to filing via EDGAR, UTC has involved an external filing agent in the process of completing its filing activities. It is possible that a move to fully interactive reporting will enable the company to complete all of its filing activities without the involvement of a third party filing agent.

The conversion to a financial reporting process that incorporates XBRL will have the entire 10-Q document created as a standard report in the consolidation system, where it will then be tagged in XBRL. At no point will the information be taken from the consolidation system and placed into Word or another document format. For management's review and approval, a report will be run and disseminated, and any changes will be made directly in the consolidation system, which will automatically update the report. When the review is complete, the financial statement files will be generated from the consolidation system in XBRL, and transmitted to EDGAR or its successor system. By eliminating the manual extraction of data and working in multiple documents, UTC will reduce its quarterly reporting process activities by approximately 200 hours, while concurrently strengthening our overall process controls.

b. The Commission's Current Disclosure System

i. Does the Commission's current disclosure system present difficulties?

The current disclosure system requires the presentation of redundant information, through the requirement to submit the same data in multiple filings (i.e. 10-K, S-3, etc.), or to present information, such as press releases, in both a format suitable for the Commission (HTML), and to the press wire (text). The requirement to manually extract information from electronic consolidation and other source systems, for the purposes of filing with the Commission, involves significant additional time and resources to ensure consistency of data between formats, and introduces the opportunity for error.

ii. What difficulties can be attributed to technological problems?

The current disclosure system has led to a database of documents, rather than a database of financial information. The structure and filing format of the present system does not allow a user to search efficiently, compare information across individual entities, between periods, or to develop long term trend analyses. Additionally, the requirement to submit in HTML, instead of XBRL, requires data to be manually transferred from the source system to another vehicle that can be used for submission to the SEC. A move to interactive data will enable filers to avoid manual effort by leaving the information in the source system, electronically create the necessary filing documents and export them to the SEC. The move to a more systematic process will have the additional benefits of a decrease in human error, stronger controls and a reduction in effort.

iii. Which can be attributed to regulatory or statutory problems?

There are two key aspects of the current system which lead to difficulties: the requirement for redundant data and the requirement for repetitious data.

An example of redundant data is the current need to prepare and file an 8-K document in HTML format for a press release and provide the same information in text format to the press wire. This is a duplicative effort, requiring additional time both to send information in two different formats to different recipients as well as to ensure that the two documents are consistent. Allowing XBRL tagging and filing of press releases, in place of a separate 8-K filing, would address redundancy.

An example of repetitious data comes from the current regulatory requirement to treat each filing as a stand-alone document, resulting in a number of disclosures that are repeated each year, typically with minimal or infrequent changes (e.g. the inclusion of financial data from multiple years and quarters). For example, the issuance of new shares using an S-1 registration statement incorporates much data taken directly from a company's 10-K.

A company file system would address both of these concerns, as well as provide additional benefits, such as requiring only periodic updates for changed data. The regulations covering the current filing process for the 10-K, for example, require a full refresh of all historical company information with each 10-K. Assuming that IDEA would incorporate change tracking functionality, filers would only have to submit updated financial results to the SEC, and users of this information could easily discern when a change has occurred.

c. Modernizing the Commission's Disclosure System

i. How should the Commission's disclosure system be modernized? One possibility is a company file system. What alternative systems should be considered? What different or additional benefits might these alternatives provide?

We agree that a company file system appears to be a good solution for the issues previously discussed. This would move companies towards a reporting environment that is event-driven, rather than filings that are form-driven. We recommend a phased rollout approach depending upon company size, similar to that proposed for the XBRL reporting implementation. Mandatory adoption of the new rules could also be preceded by a voluntary period of compliance, where filers, users and the SEC would have a chance to test and get familiar with the 21st Century Disclosure process. Assuming the Commission allows filers to include non-required information in the IDEA database, such as information contained in earnings reports and press releases, we recommend that filers start by filing required data only, such as that contained in the current 10-Qs and 10-Ks. Once the Commission has assessed the experience of filers and users under the new system, they should then consider encouraging the filing of additional XBRL-tagged documents beyond the traditional set of required disclosure forms. Examples could include analyst presentations and webcast slides, conference calls and other documents typically found on

the investor relations section of the filer's own website. The inclusion of such documents would enable IDEA to be seen as the first reference location for all financial and other information relevant to investors, analysts and other interested parties.

ii. How should a modern disclosure system, such as a company file system, be organized, and how could it improve the way disclosure information is submitted and used?

Although the Commission will own and operate the IDEA database, we would not expect the Commission to develop and manage the reporting interfaces from the database through to the end users, be they filers, investors or other users of information. The SEC should only be expected to support a basic data viewer, with simple query and search functionality. With an open database and an open access format, we expect that third party software developers will furnish a range of sophisticated data extraction tools and browsers, hopefully linking into existing business intelligence software solutions available in the market. This will encourage further innovative uses of the data that will be made more readily accessible with a combination of IDEA and an expanded data set with XBRL tagging.

In organizing and structuring IDEA, the Commission should also ensure that the system is flexible enough to accommodate a seamless transition to IFRS.

iii. What features should any modernized disclosure system provide in order to serve the needs of filers, investors, regulators, and other users of information? Why?

First and foremost, the IDEA database must incorporate state of the art security controls to prevent unauthorized submission and changing of data. Assurance of the integrity of data is paramount for the successful implementation of IDEA.

IDEA will benefit users by giving them expanded search capabilities (e.g. searching historic company data, or searches across companies) and the ability to readily identify any new updates. In addition, users must also have a clear understanding of the level of assurance provided by external auditors or the company itself, over any given data point. This is discussed further in response to question II.c.vii below. It must be clear to anyone viewing data in IDEA whether any given piece of information is audited or reviewed or unaudited, as well as whether information has been furnished or filed by the company providing the data.

The system supporting IDEA should be sufficiently reactive to be able to solicit and respond to changing user requirements, be they updated taxonomies, or the submission of other types of electronic data, including copies of webcasts or presentations to analysts. Consideration should be given to the planned convergence with IFRS during the design phase of IDEA and the revised disclosure structure.

iv. Data tagging using XBRL, or eXtensible Business Reporting Language, is one way, but we understand there are other ways to structure data. What alternative ways could be used by companies to submit structured data to the Commission?

We are not aware of any other high quality standards currently available to support the submission of structured data to the Commission. Moreover, UTC does not see a need to pursue alternative ways given the adoption of XBRL. We regard XBRL as a cost effective and robust tool set with sufficient flexibility to support the reporting requirements established by the regulators, as well as the information needs of investors, analysts and filers. Although the available US GAAP taxonomy is mature, an expansion of XBRL tagging will require the development of additional taxonomies for non-financial data. Additionally, plans for expanding the available XBRL taxonomies should include consideration of any changes required for convergence with IFRS reporting, to facilitate the additional footnote disclosures required by IFRS.

In addition, we recommend the adoption of detailed footnote tags instead of block tagged footnotes. The needs of financial data users are typically at a granular level, necessitating the detailed tagging of footnotes, if the full benefits of a migration to interactive data and the IDEA database are to be realized.

v. What are the costs and benefits to investors and other market participants of structuring non-financial disclosures, including, for example, data tagging?

Potential costs and issues are as follows:

- The time and effort required for filers and other users of IDEA to gain comfort in the new system and accept the new format for disclosure and reporting;
- Transition costs, including defining the data elements of the new company file system and the initial tagging and certification by the company as well as its auditors, of this information;
- Additional costs associated with the periodic certification and attestation of the company file system data. The Commission must determine, as each required periodic filing occurs (quarterly or annual), the level of certification/assurance that the filer (furnished versus filed) and its external auditors (audited, non audited, reviewed) must provide over such data;
- Users, including investors, without access to the internet may have limited access to required disclosures and information, and accordingly accommodations will have to be made for them;
- Users must be able to determine clearly the level of assurance given on any particular data point;
- Security over the IDEA database is critical. Only authorized users should be able to file, confirm, verify updates, or modify data in IDEA.

Potential savings and benefits include:

- Lower internal, external and environmental costs due to elimination of requirements for providing redundant and repetitious data as well as curtailing or significantly reducing the printing and distribution of paper documents;
- Easier analysis of results within and across companies;
- Ability to quickly download data into other software for further analysis;
- Enabling users to readily identify and highlight changes to a company's previously filed data.

Moreover, the SEC could increase its value to the investment community by serving as a 'one stop shop' for obtaining company financial information. If users can obtain all pertinent financial information, such as annual reports, 10-Qs, earnings releases, and proxy data from IDEA, then IDEA could become the first site an investor goes to when looking to obtain data on a particular company or companies. Furthermore, the SEC could enhance its value by providing a paper copy of requested information to users who desire it. The SEC could print and distribute, on a contract basis, the copies desired by a user for all companies it is interested in. The SEC could charge each filer a fee for every item printed and mailed. This would make it easier for users to obtain hard copies of reports from several companies, as well as reduce overall mailing costs to the user, as several companies' reports could be sent in one package. Moreover, from a filer perspective,

this process would likely be both cheaper and quicker than the current process, whereby filers print thousands of extra copies of manually filed reports as safety stock in case they are requested by users

vi. What time frame would be appropriate for implementing a company file system?

A key criterion for a successful modernization of the disclosure system is the comprehensive application of XBRL across all disclosure requirements. Supplementing this should be the development of further taxonomies to support all additional documents and information required to populate and maintain a company file system, including proxy statements, management discussion and analysis, and annual reports.

The Commission must mandate the use of XBRL, as the potential benefits arising from the availability of fully interactive data and the development of IDEA will only be achieved with the widespread adoption and consistent availability of XBRL formatted data.

UTC believes, based upon our past experiences using XBRL, that there should be an insignificant additional effort required to tag and submit the core elements of data comprising a company file system. We recommend a rapid implementation of the company file system, and a full conversion to a modernized disclosure method.

We understand that the Commission plans to apply a phased approach to the 21st Century Disclosure Initiative, including establishing a Federal Advisory Commission in early 2009. We would, however, not want progress on the Disclosure Initiative to impede any actions required by the Commission in response to the current turmoil in credit markets.

vii. What benefits and costs to preparers and users of information would accompany the implementation of modernized disclosure system, such as a company file system, that requires all, or virtually all, data to be filed in a structured format? Would such a system be more useful to some investors, such as small or less sophisticated investors? Would some investors be harmed by such a system? Would larger companies benefit more than smaller companies? Would costs fall disproportionately on one group of companies?

We cannot comment from an investor's perspective, but from the perspective of a filer, the effort to tag and submit data in an XBRL format for a modernized disclosure system should not vary significantly whether the entity is a large company, small company or foreign private issuer. There will be a certain time required for the initial tagging of the core company data required to populate a company file system. The consequent reduction in the requirement to file redundant or duplicative data in the future will, however, result in cost and time savings in subsequent reporting periods. After the initial tagging or mapping of a frequently-used data point to an existing taxonomy, there should be minimal effort required to sustain the data in the appropriate format going forwards.

Considerations for the Commission during the design of a modernized disclosure system may include:

- The requirement for any initial certification of the data contained in the company file system by the filer and its external audit firm;
- The process by which a filer may be required to provide subsequent certifications or confirmations of the validity and accuracy of the core data maintained in IDEA;
- How to clearly distinguish between data that has been filed and data that has been furnished;
- Requiring detailed tagging of footnotes, rather than block tagging;
- Ensuring that detailed taxonomies continue to be available, with sufficient granularity to provide meaningful information to end users, and flexible enough to accommodate any changes required for the transition to IFRS reporting;
- The process for restating data, and how to identify restated amounts;
- Developing a hierarchy of assurance to enable users of IDEA to clearly identify the level of assurance over each data element. Including a separate dimension for each data point could indicate the assurance status of that data point: Audit, Review, Restated, Informational or None, depending upon the source. The reporting mechanism should default to the highest level of assurance provided on the data element. A user searching for Net Income, for example, should see the same dollar amount whether derived from a press release or the 10-Q. IDEA should present the 10-Q information as the default, however, as the 10-Q has a higher level of assurance than the press release. While the inclusion of an assurance status tag requires an enhancement to the common taxonomy, the benefit to users of the data will be significant.

In respect of non-required data only (e.g. earnings releases or webcasts), the design of the IDEA framework should also address questions relating to the retention period for data within the active database. The Commission should develop an archiving policy for each type of data or attachment collected, and then implement this policy through archiving within IDEA.

viii. Are any changes to the Commission’s disclosure regulations required for a transition to a company file system? How could these changes be identified?

The transition to a modernized disclosure system should not be a method for increasing the frequency of required filings, the quantity of data required to be filed, or for a reduction in the regulatory time frame for filing.

The Commission will surely consult with the appropriate legal counsel to determine if the recommendations we and others have proposed would require changes to Regulations S-X or S-K and need Congressional approval.