

October 22, 2008

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File No. 4-567 The 21st Century Disclosure Initiative

Dear Honorable Commissioners:

We welcome the opportunity to comment on the SEC's 21st Century Disclosure Initiative. Given the current market meltdown, this conversation could not be timelier. Recent scandals and business failures have undermined investors' confidence in those responsible for the content and quality of the information companies report. With the crisis of investor confidence comes the need to rebuild and regain trust in capital markets. In a digital global economy, information – more importantly, electronically exchanged information – is the lifeblood of business. Efficient capital markets and informed decision-making are dependent today upon the exchange of reliable, validated, timely, accurate, reusable and transparent information over the Internet or some type of secure electronic exchange. The capital markets, investors, regulators and analysts alike have shown in the recent crisis that the disclosure of information upon which they relied in the past is inadequate.

When we look forward to what a 21st century disclosure might be in the not too distant future, the encumbrances of the current model peel away to reveal a more streamlined, straight-through reporting process that is open, automated, reliable, continuous and collaborative – it is also built on open source information and technology standards. The data itself becomes machine readable, comparable, re-usable, structured and reliable, and the text components of the disclosure are in plain English that can be easily understood by the individual investor.

We want to focus our comments on the future of corporate reporting and disclosure, and in turn, identify trends in the market place that the SEC should take into account while designing its 21st century disclosure systems, and give some specific recommendations.

We are submitting these comments as professionals who collectively have over 35 years experience in corporate regulatory disclosure systems and financial and business reporting standards setting. We have both worked for or advised companies that reported their financials in XBRL under the SEC Voluntary Filing Program and have been involved with the XBRL consortium since its founding 10 years ago. We have worked with regulators, stock exchanges, government agencies, public companies, software developers, accounting firms, data aggregators, professional organizations and other stakeholders in the business information reporting supply chain on interactive data technologies globally.

TRENDS AFFECTING THE REPORTING PROCESS OF THE FUTURE

Information Will Be Available via a Ubiquitous Internet

Despite the positive contributions technology has made to financial and business reporting processes over the last decade, the hype surrounding the benefits of new technologies often exceeded the reality. In many cases, technology was not mature enough; technical infrastructures required for success were not widely available; new technologies were simply too complex to be easily deployed or used. The 21st Century will see the reality of technology catch up with the hype of the last decade. Broadband and wireless networks will become ubiquitous.

Computing Power Will Be Cheaper; Internet Will Become a Broader Platform

Increasingly advanced - yet cheaper - computing power will greatly improve the collection, analysis and sharing of financial and business information. The Internet will become a platform that provides analysts and users with a wide range of new tools, services and capabilities. Technology will become cheaper, pervasive, and easier to deploy and use.

Web Services Will Drive More Innovation

Leveraging the emerging 21 century digital infrastructure, inexpensive and easy-to-use Web services and tools will extend the ability of mass collaboration to build complex online applications and create, communicate, and share financial and business economic information. The emergence of this Web platform—in both the real-life physical world as well as emerging virtual landscapes—will drive business formation, operation, and innovation.

Continuous Reporting Will Drive a Faster Information Flow

The streamlined reporting process of the future will also move to one that is almost exclusively automated, setting the stage for the continuous flow of information from preparers to the SEC and conceivably other stakeholders such as banks or lenders, investors, analysts, academia and financial media. The continuous flow of information in this process will necessitate continuous auditing and emerging techniques such as embedded audit modules to validate and verify information distributed as part of the reporting process. Suffice it to say that at some time in the future some type of independent verification will be necessary to maintain the data credibility, integrity and reliability.

Reporting Will Be More Open and Efficient, Built Upon XBRL – A Global Unifying Standard

The Reporting Process of the Future will move from an expensive, inconsistent process that relied heavily on proprietary filing solutions from a variety of vendors – and not built upon a single global information standard – to something much more open source and efficient. There will still be freedom of choice for filing solutions available to preparers. However, these solutions will be built upon the unifying XBRL standard promulgated by XBRL International, Inc., a global non-profit consortium of organizations working together to develop a unifying business reporting standard for companies around the world.

This XBRL standard will be developed from a collection of XBRL open source taxonomies. Open source benefits all solution developers by enabling them to innovate and build their own XBRL solutions off the same consistent platform, much like you see developers creating iPhone applications for the Apple iPhone platform today.

Information Will Be More Discoverable; Access Will Be Democratized; Financial Documents Become Interactive

A unifying XBRL standard will make all the information reported under the new process globally discoverable by all who wish to do so, not just to those with the deepest pockets who can afford subscriptions to data feeds. This approach appeals to the retail investor because it brings business and financial information that would have previously been obtainable only by institutional investors and Wall Street shops to Main Street so that they too can make better informed investment decisions. Democratization of financial and business information in open source reporting standards such as XBRL promises eventually to give individual investors the same kind of analytics capability that used to only exist for those who could afford typical \$1,000 and up subscriptions from data aggregators.

Financial documents are becoming digitized, networked and enriched with services, but much more is underway. It is becoming a truly interactive application rather than a static document, and, as such, financial and business information becomes a solution for mass collaboration over the Internet.

Mass Collaboration and Peer Production Online Models Will Abound; Machine Readable Information a Must

XBRL may help drive a new generation of innovators who will interact with companies on the Internet via social networking sites or other collaborative online spaces that will consume data automatically into open source analytical models. The rise of social networking models on the Internet has driven the shift to a new development model – one that relies on open source models along with mass collaboration or peer production to solve problems, analyze information, examine impact, make recommendations and explore alternatives. This is commonly known as the ‘wiki’ model today and is being actively used by businesses for R&D and other key functions. It’s conceivable that in the world of financial and business reporting, the wiki model would also apply: picture Web sites on which company financial information is rendered, normalized and analyzed by groups of investors, analysts and any other stakeholder who wants to contribute. The impact of this information is discussed by the open group with the thinking that the ‘hive mind’ collectively can ascertain the meaning and impact of the information far better than can any single stakeholder. Extrapolating this further, could mass collaboration help individual investors make far better, more informed and better analyzed investment decisions as a result? The general thinking is yes. By adopting XBRL as the information standard of choice for all regulatory filings, the SEC has the opportunity to provide machine-readable data equally to all investors and users – effectively disintermediating the data aggregators who fail to adapt their current models to the wiki mass collaboration approach.

The SEC Will Provide a Continuous, Raw Data Feed – Not Rendered or Normalized; ‘Haves’ vs. ‘Have-Nots’ Paradigm Goes Away

Building on a continuous, straight through reporting process that produces comparable, re-usable, reliable, credible information upon which the SEC and other stakeholders can rely, the consumers and users of this information need to be able to pull the data from a continuous data stream into whatever tools and analytics they want. As the SEC should not be in the business of normalizing or rendering data, it leaves that ability to the users – and tool vendors – to siphon data off the stream in the tools they want and in any way they want. With all stakeholders having access to the raw data stream from the SEC at the same time, this democratizes access to data. The ‘haves’ vs. ‘have-nots’ paradigm goes away, giving equal access and opportunity to all users for their own consumption, analysis and decision making. The information coming off the SEC’s raw data stream is completely automated and machine readable. The action of pulling real-time data off the stream is handled seamlessly by the plethora of tools that would be developed for users.

A Culture of Accountability and Transparency Must Prevail

We cannot expedite financial recovery and rebuild trust among investors and key stakeholders without first building an efficient, reliable and timely reporting and disclosure process. Therein preparers must be truly accountable for the accuracy, integrity and timeliness of the data. A culture of transparency and accountability must first be cultivated before the seeds of trust can be sown into a thriving financial ecosystem. Only then can we harvest the benefits of better, more transparent disclosure of financial and business information for the investing public.

RECOMMENDATIONS

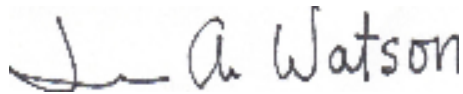
In summary, we recommend the following to the SEC’s 21st Century Disclosure Initiative:

1. Mandate XBRL as the machine-readable reporting standard of choice for all SEC registrants’ disclosure information, thereby reducing the reporting burden for preparers;
2. Move towards a continuous reporting stream of raw, XBRL-tagged data for users that is *not* normalized, thereby eliminating forms-based reporting and moving towards a wiki model of mass collaboration on that data and allowing company management to tell their own stories;
3. Continue funding taxonomy development, thereby facilitating greater transparency and comparability;
4. Stop trying to render peer-to-peer, comparable XBRL data (e.g., discontinue any XBRL viewer development) that tries to show competitive analysis. Without normalization of the data, comparability is not possible. Consequently, comparability should be left to users, not the SEC. Users should have equal access to the raw data for their own analysis and make better investment decisions.

5. Continue expanding its disclosure system to meet the comprehensive information needs of investors and allow complementary reporting frameworks such as sustainability, enhanced business reporting/KPIs, and others.

Again, we are very supportive of the work that the SEC and the 21st century disclosure initiative are doing. We appreciate the opportunity to comment on the proposal and are willing to meet with the SEC and members of the Committee to discuss any of the trends and issues we have highlighted above.

Sincerely,



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