

September 22, 2008



PR Newswire
United Business Media

Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Commission Guidance on the Use of Company Websites
File No. S7-23-08

Dear Ms. Harmon:

This letter is in response to the request for comments on Commission Guidance on the Use of Company Websites ("Guidance").¹ PR Newswire Association LLC ("PR Newswire") is a newswire provider that assists public companies in the mass dissemination of material company information. PR Newswire has been in the news dissemination business for more than 53 years and is committed to helping public companies meet their information disclosure obligations to the investing public.

Introduction

PR Newswire supports the Securities and Exchange Commission's ("Commission") efforts to facilitate information disclosure to the investor community. PR Newswire believes that enhancements to the disclosure process are a necessary development given the continual advances in technology. As such, PR Newswire agrees with the Commission's view that "company disclosure should be more readily available to investors *in a variety of locations* and formats to facilitate investor access to that information."² And while we believe the Commission should continue to build on the current industry practices and expand upon existing methods for information disclosure, we are concerned that the Guidance, in its current form, may be interpreted as allowing public companies to rely solely on their websites for disclosure of material information. We believe this view undermines the industry's well-developed information disclosure system on which many existing and potential shareholders and members of the news media rely. We also believe that this new policy may disadvantage investors as it increases the likelihood of selective and uneven disclosure by public companies. Our comments on the Guidance are set out below.

¹ Securities Exchange Act Release No. 34-58288 (August 1, 2008).

² *Id.*, at page 8 (emphasis added).

Comments

PR Newswire supports the Commission's efforts to broaden the scope of disclosure channels available to reporting public companies. However, we believe use of company websites should be supplemental to existing industry practices.

PR Newswire supports the Commission's efforts to broaden the scope of existing disclosure channels for use by public companies. As a news disseminator, PR Newswire recognizes the need for full, transparent and timely dissemination of material information. For this reason, PR Newswire followed with great interest the progress of the Advisory Committee on Improvements to Financial Reporting ("Advisory Committee") in its efforts to address, among other issues, the increased use of public company websites for distributing company information.³

After considering industry comments and conducting meetings with industry participants on the issue,⁴ the Advisory Committee, in its final report to the Commission ("Final Report"),⁵ set forth its recommendation that the Commission should issue "a new interpretive release" addressing "the use of corporate websites for disclosures of corporate information."⁶ The Advisory Committee noted that significant advances in communication technology have increased the desire for "more timely corporate disclosure and the ability of investors to capture, process, and disseminate this information."⁷ The Advisory Committee further noted that "encouraging reporting companies to increase their use of their websites . . . would benefit investors of all types . . .," and suggested the development of industry best practices "through coordination of industry participants."⁸ Finally, the Advisory Committee recognized the value of newswire services in this process, noting --

³ In 2007, the Commission formed the Advisory Committee to "examine the U.S. financial reporting system" to, among other things, make "information more useful and understandable for investors." See <http://www.sec.gov/news/press/2007/2007-154.htm>.

⁴ PR Newswire provided written comments to the Advisory Committee and participated in an Advisory Committee meeting to discuss these issues. See Letter to Robert Pozen, Chairman, SEC Advisory Committee on Improvements to Financial Reporting, from David B. Armon, Chief Operating Officer, PR Newswire (September 21, 2007), attached hereto as Appendix A. In addition, see PR Newswire Presentation to Committee on Improving Financial Reporting (April 3, 2008), attached hereto as Appendix B.

⁵ Final Report of the Advisory Committee on Improvements to Financial Reporting to the United States Securities and Exchange Commission (August 1, 2008). Note that the Advisory Committee initially made this recommendation in the Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting (Securities Act Release No. 33-8896 (February 14, 2008)).

⁶ Final Report at page 108.

⁷ *Id.*

⁸ *Id.*, at page 109.

Of course, the increased use of corporate websites is not intended to affect the valuable role that newswires and other news vehicles play in disseminating important company information to investors and the public.⁹

Though the Commission followed the Advisory Committee's recommendation and voted to issue an interpretive release to address the use of company websites, the Guidance issued does not support the existing dissemination process or the Advisory Committee's recognition of the contributions of newswires and other vehicles. As a result, the Guidance appears to narrow, rather than broaden, the scope of information disclosure by public companies.

As noted above, PR Newswire agrees with the Commission's view that public company information should be "available to investors in a variety of locations . . ."¹⁰ It makes sense that a public company's website would be one place for seeking company information. However, in order to avoid selective or uneven disclosure, information availability should not be limited to one location.

As we noted in our letter to the Advisory Committee,

Virtually all public companies fulfill their [disclosure requirements] in part by releasing material information in the form of a press release through organizations like PR Newswire. A press release distributed over PR Newswire is sent over a vast Internet-based network *simultaneously* to tens of thousands of new media outlets worldwide. Reporters at Dow Jones Newswires, Reuters, Bloomberg News and The Associated Press scramble to interpret the press release the minute it is issued, and deliver snap headlines. CNBC producers relay key items to their on-air talent. Radio business reporters include relevant local headlines on their report . . . We push information out to the widest possible audience, allowing even the most unsophisticated investors to access data from multiple places. Doing so helps to address the imbalance between institutional and individual investors and creates a more level playing field.¹¹

Company websites should be used to *enhance* this process, as an additional dissemination method. They are not - and should not be held out as - an effective replacement for the existing, vast information dissemination process described above. Relying on company websites alone will narrow significantly the flow of public company information.

⁹ *Id.*

¹⁰ Guidance at page 8.

¹¹ *Supra* note 4 at pages 1-2.

If the Guidance is interpreted to allow posting to company websites as the sole method of disclosure, certain investors will be disadvantaged.

PR Newswire agrees that a company's website is "an obvious place for investors to find information about the company."¹² However, as the Advisory Committee suggested, in recognizing the value of newswires and other news vehicles, a company's website should not be the only place where material information is available to investors.

Such a conclusion would require a proactive approach on the part of all types of investors, requiring visits on a regular basis to the website for each company in which investors own shares or in which they are considering investing. Indeed, in order not to miss timely dissemination of company information, an investor would need to visit the company websites on an almost continual basis throughout the day. This would be difficult for the average desk worker to coordinate, but near impossible for those investors who work in jobs outside of a traditional office setting (e.g., teachers, physicians), or those individuals who are less knowledgeable about the Internet and might have trouble navigating through a website to find important information (e.g., seniors).

Although it is feasible for companies to utilize RSS feeds or email to "push out" information from their sites or to facilitate the "pulling" of information from their sites through spidering and other mechanisms, neither of these methods delivers content virtually simultaneously to all investors – a feature specific to commercial newswire services. In addition, upgrading company web sites to include RSS and broadcast email functionality – and the scalability to withstand tremendous surges of Internet traffic that would inevitably occur during material events -- can be costly and time-consuming, particularly to small- to mid-cap companies that are not well-positioned to incur these expenses in time and capital.

Investors might also have reason to be concerned about the authenticity of news if they are receiving their information through Google Alerts or similar methodologies utilized by search engines. Search engines have no compliance requirements or other obligations regarding the timeliness, accuracy and authenticity of their search results. Conversely, there is nexus between a commercial newswire service and the public company it serves. When a public company engages PR Newswire or another such service, it becomes the responsibility of the newswire service to take measures to verify the source of the content and to assist the issuer in timely disclosure.

In the current disclosure regimen, an investor can set up a process whereby s/he receives an "alert" from a variety of internet news aggregation sites or search engines each time a company issues news over a newswire service. Alternatively, an investor can rely on a particular portal to view, on one site, all information related to the companies in which they are invested or in which they are interested in investing. In each of these instances, the investor need not search out the information; it is delivered directly to him or her, or alternatively, consolidated on the web page

selected by the investor, at the same time it is delivered to the general public. The investor can spend a relatively short time reviewing relevant information received via either process. This delivery of information to the investor is critical in effecting full, transparent and timely news dissemination.¹³

Without the availability of company information in a variety of places, many investors - unable to commit the necessary time to review all relevant company sites - will face disadvantages in obtaining material information necessary to assess current or potential investments in the market.¹⁴ On the other hand, institutional investors with employees designated solely to gather information will be at a distinct advantage in receiving and acting upon public company information.¹⁵ Buy- and sell-side institutions have vast technical resources that are not at the disposal of the average investor, such as the skills and budgets to create real-time website crawlers.

Finally, the Guidance does not consider the very real possibility of selective or uneven disclosure by public companies. For example, under the Guidance, companies can elect to distribute information broadly using a newswire one day and then decide to narrowly disseminate less favorable information solely on their web sites on another day. Allowing public companies to choose when they broadly disclose using newswires or other vehicles and when they disclose more narrowly on their web sites compromises the integrity of the information disclosure system and creates a distinct disadvantage for the investing public.

We believe the news dissemination process should allow all current and prospective shareholders to access relevant information in a timely, efficient manner. This will not be the case if companies interpret the Guidance to allow sole or selective reliance on the company website for information disclosure.

¹³ PR Newswire reaches more than 5,000 online sites and databases, including e-brokerages and investor research Web "communities" and, along with the other commercial newswire services, does not assess a fee for investor access to content appearing on its website.

¹⁴ PR Newswire delivers company press releases to more than 100,000 registered journalists and over 5,000 websites including major consumer and investor portals, online publications and news sites and equities trading and industry-specific sites with a cumulative audience of more than 100 million monthly.

¹⁵ It is further worth noting that under NYSE rules, NYSE-listed companies are "expected to release quickly to the public" news and information that could be deemed material with regard to the market for the securities in question. See NYSE Rule 202.05 Material Information. The NYSE's rules further note that the "normal" process for "publication of important corporate data" is via a press release. See NYSE Rule 202.06 Procedure for Public Release of Information. Furthermore, certain NYSE rules *require* the issuance of a press release notifying the public of particular events. See NYSE Rule 203.01. Any release of company information "that could reasonably be expected to have an impact on the market for the company's securities" should be provided "to the wire services and the press 'For Immediate Release'." If the Guidance is interpreted to allow material information to be disclosed exclusively through a company's website, NYSE-listed companies would still be required to issue press releases.

Ms. Florence E. Harmon
U.S. Securities and Exchange Commission
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The cost of using newswire services to disseminate material information is minimal and ensures timely, nondiscriminatory delivery of information.

We understand and support the Commission's interest in more extensive, low cost disclosure. However, the cost of using a newswire service to disseminate material information is nominal to the public companies relying thereon. For example, the cost of issuing a press release over PR Newswire generally ranges from \$180 to \$680, depending on the size of the distribution circuit selected. Earnings releases, which are longer than the average text-only document, average around \$800. Competition in the newswire industry is fierce, keeping prices low and incentivizing PR Newswire and its competitors to deliver issuer news to ever increasing destinations, adopting the latest technology. To public companies subject to the disclosure requirements, the amount spent on a newswire service is nominal to ensure a reliable and proven dissemination process.

Investors rely on this information to make important investment decisions. As a result, the cost to investors of not receiving timely distributions of material information could be very high.

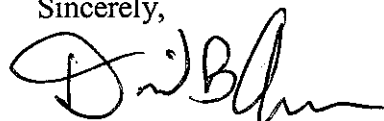
Conclusion

The investing public needs reliable and thorough information dissemination. Public companies may interpret the Guidance, in its current form, as promoting fewer dissemination channels to the inadvertent detriment of investors. Current processes and industry practices have proven successful at ensuring the mass dissemination of material information without preference or disadvantage to any class of shareholders.

We ask that the Commission look to the Advisory Committee's Final Report and revise the Guidance to include language recognizing the importance of the existing news dissemination process. In addition, we ask that the Commission further clarify that the Guidance is intended to *add* to, not take away from, these proven practices.

PR Newswire appreciates the opportunity to provide comments on the Guidance. We would be happy to discuss these views further at your request. If you have questions or comments, please contact the undersigned at (201) 360-6002.

Sincerely,



David B. Armon
President
PR Newswire Association LLC

APPENDIX A

September 21, 2007

Mr. Robert Pozen
Chairman
SEC Advisory Committee on Improvements
to Financial Reporting
United States Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

Dear Chairman Pozen:

PR Newswire Association LLC submits this letter in response to the discussion paper on the proposed topics of consideration for the Securities and Exchange Commission's Advisory Committee on Improvements to Financial Communication.

PR Newswire applauds the SEC for creating this committee, and we believe that you have done an outstanding job in outlining the areas in need of review and potential revision. PR Newswire is deeply committed to the constant improvement of the way investors receive and use financial information. At this time, when the committee is about to embark on a process of discovery into the financial disclosure process, we would like to provide background on how the corporate reporting chain currently works and why we believe it is effective. We will also sharing our concerns about certain aspects of the reporting system such as the usability and uniformity of financial information.

PR Newswire has a unique view into financial disclosure as we provide public companies with the disclosure vehicle which ensures that timely, market-moving information about their business is disseminated as fairly and broadly as possible. Today, more than 97% of companies trading on the New York Stock Exchange, NASDAQ and the American Stock Exchange choose a commercial newswire, such as PR Newswire, to distribute material news. During peak financial reporting periods, PR Newswire processes more than 1,000 time-critical press releases per day. Our unique insight into financial disclosure serves as the backdrop for the comments in this letter.

Newswires and Reg FD

Currently, the release of material information by public companies is governed by Regulation Fair Disclosure. Reg FD was written to address the issue of selective disclosure of material non-public information. Reg FD helps individual investors to make their own informed, timely investment decisions, increases transparency and has created more and better communication between companies and the many different types of people who invest in them.

Virtually all public companies fulfill Reg FD in part by releasing material information in the form of a press release through organizations like PR Newswire. A press release distributed over PR Newswire is sent over a vast Internet-based network *simultaneously*

to tens of thousands of news media outlets worldwide. Reporters at Dow Jones Newswires, Reuters, Bloomberg News and The Associated Press scramble to interpret the press release the minute it is issued, and deliver snap headlines. CNBC producers relay key items to their on-air talent. Radio business reporters include relevant local headlines on their reports. PR Newswire also distributes the release to more than 85,000 registered journalists, and over 4,000 websites, which include major consumer and investor portals, online publications and news sites, and equities trading and industry-specific sites with a cumulative audience of more than 100 million monthly. The equities terminals and financial portals such as Thomson Financial, Bloomberg, Dow Jones and Reuters, publish the full-text release and actively push the news to millions of professional investors where it is often commingled with other analytics to facilitate sifting through vast quantities of information that are necessary in making day-to-day investment decisions. Individual investors are actively alerted to corporate news through the media but also through their own direct access to many heavily trafficked portals like Yahoo!Finance, Google Finance and MSN Money, as well as more specialized investment sites like Motley Fool, MarketWatch, E-Trade and Schwab's Active Trader; and news sites like CNN.com, WSJ.com and DallasNews.com, which all carry the PR Newswire feed.

It is this broad dissemination that represents newswires' greatest contribution to Reg FD. We push information out to the widest possible audience, allowing even the most unsophisticated investors to access data from multiple places. Doing so helps to address the imbalance between institutional and individual investors and creates a more level playing field.

There has been some discussion of allowing companies to use blogs or company websites as the sole means of disclosing financial information. Knowing what we do about the process of gathering and disseminating information, we have serious questions about these proposals. Requiring investors to proactively search out company announcements puts the advantage squarely back on the side of those investors who have the resources to scour the web for new postings to company websites. Asking investors to sign up with a corporation to receive their news alerts raises serious privacy questions.

For more than 53 years PR Newswire has been privileged to assist publicly owned corporations fulfill not only the letter of their disclosure obligations, but the "spirit" of disclosure as well. Taking away a longstanding and accepted vehicle for accessing information seems to us to be a violation of the spirit of Reg FD.

Areas in need of improvement – the usability and uniformity of information

One particular aspect of disclosure that concerns PR Newswire and the investment community is the usability and uniformity of financial information. While buy- and sell-side institutions employ research staffs to build and update financial models with corporate financial information, the average individual investor cannot compete. Thus, PR Newswire strongly supports the Committee's stated goal to leverage a technical solution such as eXtensible Business Reporting Language (XBRL) to even the playing field and make analysis of corporate financial reporting easier.

From day one, our business has been directly tied to advancements in technology. It is a mission of ours to continually look for new and better ways to deliver our customers' news and information to audiences wherever they are and through whatever platforms they use. We run a complex and technologically advanced network through which a vast amount of information is processed daily and posted to the Internet for public consumption. Innovation is the touchstone of our company. It is through the development of new products and better ways of servicing our clients that we compete with other newswires to win business. That competition serves well our customers, the investment community and the financial markets themselves.

In summary

As this committee considers how to improve financial communication, we ask that you look carefully at the benefits of the current system. We ask that you try to distinguish between change for change's sake, and change that will actually increase transparency and the public's access to information. We ask that you keep in mind the needs and rights of those investors including senior citizens and others who may have limited or no access to, or understanding of new technologies.

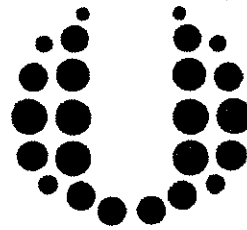
PR Newswire would be happy to provide any assistance we can in helping the committee gain a better understanding of the current system of disclosure. Of special interest may be our technology experts, who are developing the next generation of information dissemination technology. In addition, we also encourage the committee to reach out to those with a deep understanding of the needs of the individual investor to ensure that those needs are fully articulated.

We look forward to being a part of this process moving forward, and to the eventual findings of the committee. Please feel free to contact PR Newswire at any time and with any questions.

Sincerely,

David B. Armon
Chief Operating Officer
PR Newswire
810 7th Avenue, 32nd Floor
New York, NY 10019
(201) 360-6700

APPENDIX B

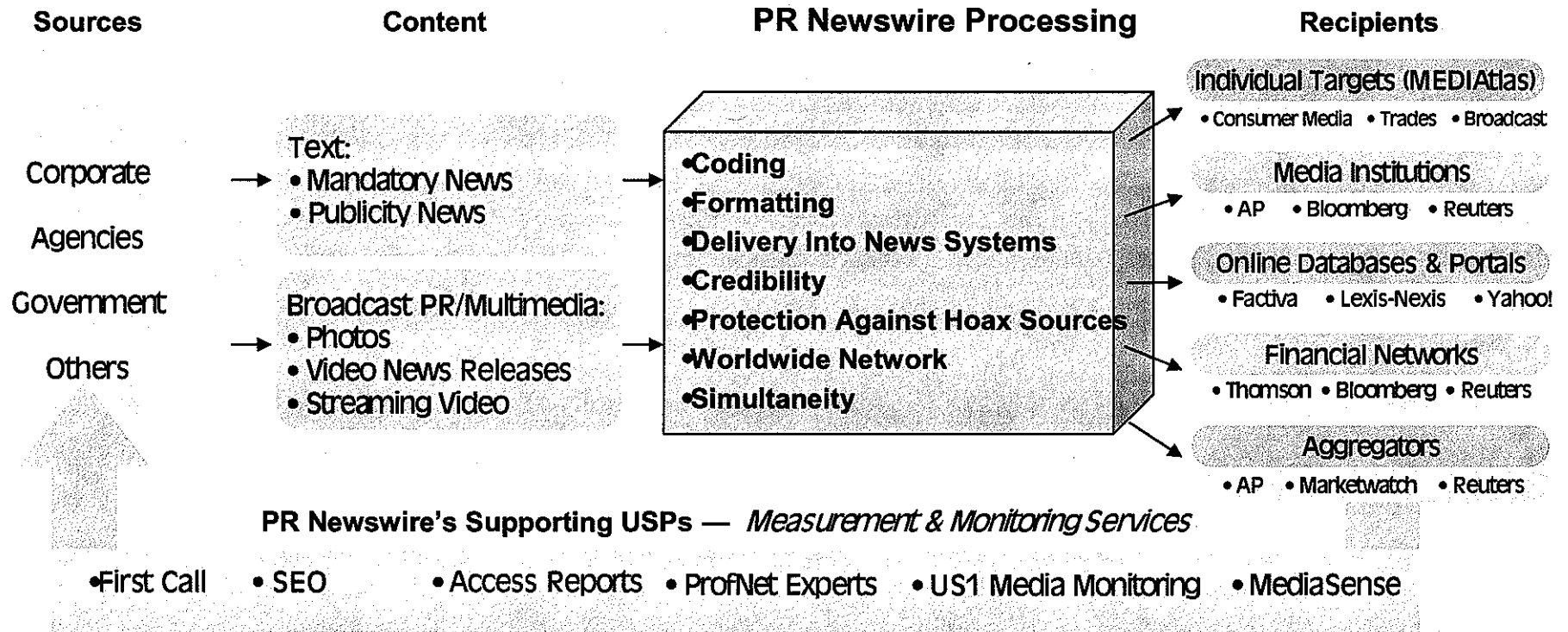


PR Newswire

United Business Media

Presentation to Committee on
Improving Financial Reporting
April, 3 2008

PR Newswire Business Model



PR Newswire – Who We Are

- PR Newswire is the global leader in news and information distribution services for professional communicators
- Provides electronic distribution, targeting, measurement, translation and broadcast services on behalf of tens of thousands of corporate, government, association, labor, non-profit, and other customers worldwide
- Offices in 14 countries and routinely sends its customers' news to outlets in 135 countries and in 40 languages
- Considered a mainstay among news reporters, investors and individuals who seek breaking news from the source

The Reach of PR Newswire

- Distribution by PR Newswire is **broad, simultaneous** and has **built-in redundancies** for all contingencies
 - Thousands of media points through IP-based delivery
 - Tens of thousands more through email, RSS, satellite and fax delivery
 - More than 600 television stations through the Pathfire Digital Media Gateway
 - More than 85,000 journalists registered for the media web site, *PR Newswire for Journalists*
 - Plus the general public and millions of investment professionals through more than 4,000 websites, online databases and equities terminals

Technology – The Heart of PR Newswire

- PR Newswire is the technology leader in the dissemination of information, including financial information required by Reg FD.
 - Proponents of pure Web-based disclosure paint us as anti-technology, when in fact technology is at the heart of what PR Newswire does
 - Web-only disclosure takes a narrow view of technology and would actually eliminate many of the communications innovations PR Newswire and our competitors have developed
- Current methods of distribution include RSS feeds, XBRL, search engine optimization, IR webcasting, blog tracking and social bookmarking
- Our “push” technology ensures that information reaches the broadest audience, including, but not limited to, the audience that is searching for it through a Web site

Technology – The Heart of PR Newswire

- PR Newswire pioneered the use of the Internet in disseminating news
- Websites go down, servers crash, glitches occur
- The Web plays an integral role in how PR Newswire operates – but it's not the ONLY vehicle for dissemination
- Redundancies in the system ensure that credible material information will always be available to the broadest possible audience in a way that is **fair** and **equitable**

The Role of Competition

- Competition among newswire vendors is intense
- This creates a constant need for PR Newswire to develop new and better communication tools, reaching ever-broader audiences
 - The investing public and financial markets are the direct beneficiaries
- The competition also has created value for the companies using the newswire
 - Although critics say otherwise, cost of the service is low and the benefit to the company, investor and consumer is high
- Web-only disclosure will eliminate competition from the system, meaning less innovation

PR Newswire and Disclosure

- Through PR Newswire, organizations can get their material news quickly and accurately to the disclosure points
- Currently, the SEC and all major stock exchanges recognize PR Newswire as a preferred method for companies to meet their disclosure obligations
- PR Newswire plays an important role in the spread of transparency and good disclosure practices throughout Europe, the Americas and Asia.

PR Newswire and Disclosure

- Newswires are a **recognized** and **valued resource** for investors and the media
- Our technology provides the most advanced system of information dissemination available, and we are constantly upgrading that system
- Taking away such a vast communication resource would be taking a step backward

Correcting Misinformation

- The Price Factor
 - The cost of PR Newswires services is extremely competitive and miniscule compared to other costs of doing business for public companies
 - Average press release costs start at \$250; earnings at \$800.
 - Small companies would likely still need to issue press releases in order to generate media coverage of their business
- The Cost Factor
 - There is **no charge** to the general public reading press releases on the web

Conclusion

- Through our research and discussions, we have identified several areas of risks for website-only disclosure:
 - Security (hackers, unauthorized posters)
 - Hoaxes (fake websites)
 - Burying bad news
 - Delay in distribution
 - Information inequity

Conclusion

- At the same time, there are clear benefits to the current system:
 - Secure and valid information
 - Standard format
 - Built-in redundancy
 - Simultaneous distribution
 - Broad reach