

Via e-mail:

Allison Zaleski  
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Karen Evans  
Administrator, Office of E-Government and Information Technology  
Office of Management and Budget  
Washington, DC 20503

Dear Ms. Evans:

The U.S. Securities and Exchange Commission (SEC) is pleased to submit our annual update on compliance with the E-Government Act of 2002, completed in response to the Office of Management and Budget (OMB) memorandum dated August 25, 2006, "FY 2006 E-Government Act Reporting Instructions."

Should you have any questions or require additional information, please contact Nancy Kaplan at (202) 551-8130.

Sincerely,

/original signed by/

R. Corey Booth  
Director/Chief Information Officer  
Office of Information Technology  
Securities and Exchange Commission

Attachment:

U.S. Securities and Exchange Commission FY 2006 E-Government Act Implementation Update

**U.S. Securities and Exchange Commission  
FY 2006 E-Government Act Implementation Update**

**EDGAR: the SEC's Primary E-Gov Initiative**

The U.S. Securities and Exchange Commission (SEC) supports the goals of the E-Government Act of 2002 by utilizing technology to improve services to citizens, businesses, and other federal agencies. The SEC's primary e-government initiative is the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR"), which performs the automated collection, validation, indexing, acceptance, and forwarding of submissions by companies and others who are required by law to file forms with the SEC. EDGAR gives public investors access to pertinent information on public companies, including annual reports, financial statements, and management compensation levels, so they can make more informed investment decisions.

*EDGAR transforms agency operations*

EDGAR is a critical component of the SEC's business operations. The system was designed to benefit electronic filers, enhance the speed and efficiency of the SEC's processing, and make corporate and financial information available to investors, the financial community, and other interested parties in a matter of minutes. EDGAR transforms the SEC's operations in the following ways:

- *EDGAR simplifies the filing process for respondents.* EDGAR is used by mutual funds, individuals, company representatives, securities brokers, lawyers, accountants, and third party service bureaus to file securities information with the SEC in accordance with the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisors Act of 1940. EDGAR includes components that add value to customers, including instructions for filers, internal servers that automate and simplify the workflow associated with the filing process, an enterprise data warehouse that gathers and stores submitted information, and an integrated accounting package that processes fees to be paid by respondents. In FY 2005, the SEC also began to use the EDGAR system to disseminate correspondence between the Commission and registrants relating to internal reviews of companies and filings.
- *EDGAR ensures that information is rapidly made available to investors.* One of the SEC's primary goals is to foster informed investment decision making. To support this goal, EDGAR provides company disclosures, mutual fund information, and other relevant data to investors to ensure that they have the clear, complete, and accurate information they need to select an investment approach. Because it is critical for investors to have up-to-date information about the entities that they are researching, EDGAR makes data available to investors within minutes of receipt.

The SEC continues to increase the usability of EDGAR by investors through a number of enhancement activities. In FY 2006, the SEC enhanced the search capabilities of EDGAR by adding a full-text search feature, allowing users to search the complete text of EDGAR filings from the past two years via the SEC website. Users now can search by keyword or concept; using Boolean logic or proximity operators; and within specified date ranges, form types, company names, or Central Index Key (CIK) codes. The searches return the complete text associated with any matching filing, including all data in the filing itself and all attachments or exhibits associated with the filing. This enhancement gives EDGAR users the ability to retrieve filings based on key terms that are of particular interest to them.

- *EDGAR data is the basis for value-added services available to users who need additional analysis of investment information.* EDGAR's data is available from several sources: it may be accessed free of charge through the SEC website, or for additional fees through data warehouses, data brokers, and value-added resellers who obtain the data through the SEC's Public Dissemination Service (PDS). Third-party disseminators that analyze and resell EDGAR data provide a useful service to the investment community by providing the average investor with detailed information in customized views and formats.
- *EDGAR supports the internal work of the Commission to ensure compliance with securities laws and support an efficient investment environment.* EDGAR is designed to enhance the speed and efficiency of SEC processing, so that relevant information can be provided to the investing public in a rapid manner. SEC examiners and analysts use EDGAR to speed their reviews, track assignments, and reduce administrative tasks. Submissions are automatically processed, validated, and time-stamped, and data is sent to an enterprise data repository. The enterprise data repository provides a single, consistent source of shared data for analysts. EDGAR helps SEC staff to analyze and review corporate disclosures in detail, to improve the disclosures and uncover fraud. SEC offices also use EDGAR data for reviews, enforcement actions, and examinations.
- *Planned EDGAR enhancements continue.* In 2006, the SEC awarded new contracts to several companies who will work with the Commission on enhancements designed to facilitate filer and investor use of EDGAR. The enhancements will focus on conversion of the currently text-based EDGAR filing system into a system which utilizes interactive data. This will allow filers to tag key facts, and will facilitate the creation of machine-readable documents from which computers can quickly extract data. The contracts will modernize the EDGAR database so that it can support interactive data technologies such as XBRL (eXtensible Business Reporting Language) and XML (eXtensible Markup Language); support the writing and implementation of XBRL taxonomies, to support the data tagging activities described above; and deliver interactive tools via the SEC's website, so that investors will be able to view and analyze the XBRL data.

### *Maintaining a dialogue with EDGAR stakeholders and external parties*

The SEC utilizes several mechanisms to maintain a dialogue with interested parties about EDGAR. Changes to EDGAR must be responsive to interests of the SEC's internal and external stakeholders, so planned system improvements are vetted with the individuals and groups that will be most affected. Input is provided through both formal and informal mechanisms, such as notice and comment rulemaking to obtain comments from the public on proposed changes to EDGAR, as well as the use of task forces to examine common issues with SEC products and services. For example, the Commission recently convened two Interactive Round Tables to discuss the potential uses of interactive data to improve disclosure of information to investors, and provided a mechanism by which the public could solicit comments and feedback. The SEC also participates in discussions with securities and financial industry representatives to understand ways that the Commission can bring about improvements to EDGAR.

No other agencies are involved with respect to the planning, requirements gathering, or funding of EDGAR. However, many federal agencies review filings from the SEC's website in the course of their business activities, including the Office of Thrift Supervision, the Federal Trade Commission, the Federal Deposit Insurance Corporation, the Department of Justice, and the Internal Revenue Service. EDGAR is also used by the Public Company Accounting Oversight Board. The SEC has also shared its successes with interested parties through formal and informal benchmarking activities.

### *EDGAR's performance measures demonstrate its success*

The FY 2005 SEC Annual Report demonstrates that demand for the data provided by EDGAR continues to increase, providing investors with timely access to information that helps them to make more informed investment decisions. The number of annual online searches for EDGAR filings increased from nearly 289 million in FY 2004 to 379 million in FY 2005. The demand for the disclosure data from EDGAR increased as the agency continued to improve the system through the interactive data, EDGAR ticker, and full-text search initiatives, making the information much more useful and analyzable for investors.

### *EDGAR contributes to the SEC's efficiency and effectiveness*

The SEC has not formally quantified the cost savings or cost avoidance realized by the Agency's e-government initiatives. However, the Commission has identified several areas in which the use of EDGAR has enhanced work productivity and led to increased efficiencies. Since its inception, EDGAR has eliminated paper forms and delivered more services electronically. The move to electronic services has led to staff decreases in the office which provides filer support functions for the Commission.

### *Availability of EDGAR information for all citizens*

The SEC is committed to providing Agency information and services to all citizens, including those without access to the Internet. The SEC assists the public with requests

for information from EDGAR through its Public Reference Room. Members of the public can obtain copies of filings from the SEC Public Reference Room either by visiting in person or by submitting a request in writing via fax, e-mail, or postal mail. The SEC is also equipped with a TTY machine to receive inquiries from the hearing impaired.

### **The Provision of Agency Information on the SEC's Public Website**

To accomplish its mission of protecting investors and maintaining fair, honest, and efficient markets, the SEC provides a wide variety of electronic information to members of the public. Beginning in the 1980s, EDGAR made corporate and financial information available to investors, the financial community, and other interested parties in a matter of minutes after the information was filed. Since that time, the Commission has continued to proactively disseminate useful and timely information to the public through the SEC website and through other mechanisms.

Since the original requirement for identifying, prioritizing, and scheduling the publication of information via the internet was met in September 2004, the SEC has continued to publish an inventory of Commission information on the SEC's website, including the priorities and schedules for making the information available and accessible.

#### *Determining the availability of SEC information*

The SEC's information is prioritized and made available based upon the time-sensitive nature of the information. The following criteria are used in determining how quickly information is posted to the SEC website:

- Urgent and time sensitive information is Priority 1 and is typically posted within minutes of receipt;
- Time sensitive information is Priority 2 and is typically posted within an hour of receipt;
- Information frequently requested by the public is Priority 3 and typically is posted the same day it is received;
- Other information that may be useful is Priority 4 and typically is posted within 24 hours of receipt.

To ensure that newly posted material is not overlooked by users of the site, new information is highlighted in a "What's New" page of the website, which is updated daily. Additionally, the Commission has developed RSS (Really Simple Syndication) feeds on the public website for several of the most popular and frequent information types, including Press Releases, Administrative Proceedings, Litigation Releases, and News Digests. RSS is a simple XML-based system that allows users to be notified of and receive their desired information. With RSS, users can immediately get updates to the information that the SEC makes public.

## *Priorities and schedules for information availability*

The table below includes categories of information representative of the SEC's website content, and the publication priorities assigned to the categories. This information is also available as part of the SEC's Website Content and Website Posting Priorities document, located on the Commission's public website.

<b>Type of Document</b>	<b>Priority Level</b>
<b>News &amp; Public Statements</b>	
News Digest	1
Press Releases	1
Speeches and Public Statements	3
Congressional Testimony	3
Webcasts	1
Special Studies	4
SEC Strategic Plan	1
SEC Conference Materials	4
<b>Regulatory and Rulemaking Matters</b>	
Proposed Rules	2
Final Rules	2
Concept Releases	2
Interpretive Releases	2
Policy Statements	2
PCAOB Rulemaking	3
Self-Regulatory Organization Rulemaking	3
Exemptive Applications	4
Exemptive Orders	4
Public Petitions for Rulemaking	4
<b>Staff Interpretations</b>	
Staff Accounting Bulletins	3
Staff Legal Bulletins	3
Staff No Action, Interpretive and Exemptive Letters	4
Frequently Asked Questions and Staff Guidance	3
<b>Litigation</b>	
Litigation Releases - Federal Court Actions	2
Administrative Proceedings - Notices & Settlements	2
ALJ Initial Decisions & Orders	2
Reports of Investigations	2
Commission Opinions & Orders	2
Trading Suspensions	1
Appellate Briefs	3
Disgorgement Plans	3
<b>EDGAR</b>	
Filings	1
EDGAR News	2

EDGAR Filer Manual	2
EDGAR Filer Guidance	2
<b>Investor Information</b>	
Questions: Get Fast Answers	2
Online Publications	2
SEC en Español	2
Mutual Fund Fee Calculators	2
Check Out Brokers and Advisors	2
File a Tip or Complaint	2
Investors Claims Funds	2
Investor Education Links	2
<b>Additional Matters</b>	
Job Listings	4
Government Performance and Results Act Reports	4
Annual FAIR Act Inventories	4
FOIA Program	4
Privacy Policy	4
No FEAR Act	4
No FEAR Act EEO Data	4
Whistleblower Protection Act Information	4
Antidiscrimination Law Information	4
Complaints of Employment Discrimination	4
Data Quality Guidelines	4
Organizational Structure	4
SEC Mission and Statutory Authority	4
SEC Annual Reports	4
Small Business Information	4
Site Map	4

### *Opportunity for public comment*

The public has an ongoing opportunity to provide comments related to the priorities and schedules for the dissemination of SEC information as documented in the Website Content and Website Posting Priorities. Members of the public may use the “Contact Us” feature on the SEC public website to submit their suggestion or concern with respect to the publication of Commission information, or they may contact the site’s webmaster via e-mail to provide input on the provision of SEC information. The layout and design of the website will continue to be improved as necessary to facilitate the public’s ability to locate relevant information easily and rapidly.

### *Link to SEC’s Website Content and Website Posting Priorities*

The SEC’s Website Content and Website Posting Priorities document is available on the Commission’s public website at: <http://www.sec.gov/about/inventory.shtml>.

### *Use of search tools on SEC's website*

Users of the SEC website have the ability to access all files intended for public use on the website. Search results are displayed in order of relevance based on search criteria entered by the user. The relevance of a document with respect to the search terms is measured by the total number and location of terms within the document. Response times for general website searches are comparable to industry best practices.

### **The SEC's Information Dissemination Activities**

The SEC coordinates major information dissemination activities to ensure that members of the public can easily locate, access, and utilize the Commission's public information products. The Commission website, as the primary public-facing component of the SEC's information dissemination activities, brings together the relevant reports, plans, documents, and other information of interest to the SEC's stakeholders. Representatives from the SEC's offices work together to ensure that the appropriate information is provided via the website and that it is presented in an organized and cohesive manner.

The SEC's Freedom of Information Act (FOIA) Office website provides information to the public on how to request non-public information as well as how to request confidential treatment for information submitted to the Commission. The FOIA website provides links to publicly available information based on frequently requested materials under FOIA. The Public Reference Room (Conventional Reading Room) on the SEC website includes public agency records such as litigation releases, administrative proceedings, initial decisions, Commission opinions, investor alerts, insider trading records, and proposed and final rules. FOIA's Electronic Reading Room includes a number of originally non-public documents and databases which are frequently requested and are now publicly released as required by the E-FOIA Amendments.

### *Information Resources Management (IRM) Strategic Plan*

Pursuant to OMB Memorandum M-06-02, "Improving Public Access to and Dissemination of Government Information and Using the Federal Enterprise Architecture Data Reference Model," the SEC's IT Strategic Plan is available from the SEC website at: <http://www.sec.gov/about.shtml>.

### *Freedom of Information Act (FOIA)*

In response to the requirements of Executive Order 13392, "Improving Agency Disclosure of Information," the SEC appointed a Chief FOIA Officer, established a FOIA Public Service Center, and designated FOIA Public Liaisons. The list of SEC FOIA Public Contacts is available from the SEC website at: <http://www.sec.gov/foia.shtml>. The SEC also produced the FOIA Program Action Plan to describe planned initiatives for review and improvement within the SEC's FOIA Program. The FOIA Action Plan is available from the SEC FOIA page, located at: <http://www.sec.gov/foia.shtml>.



*E-Government Act Provisions*

In addition to these general activities related to the dissemination of Commission information, the SEC has also fulfilled responsibilities under specific provisions of the E-Government Act. Our compliance in these areas is described below.

- *Categorizing of Information.* Section 207(d) of the E-Government Act of 2002, “Categorizing of Information,” describes standards related to the organization and categorization of government information, emphasizing the utility of search, interoperability, use of categorization, and priorities and schedules for information publication. As required by the Act and the December 2005 OMB Memorandum M-06-02, “Improving Public Access to and Dissemination of Government Information and Using the Federal Enterprise Architecture Data Reference Model,” the SEC continues to organize and categorize information to improve public access and dissemination.

The SEC website provides visitors with several ways to locate and use the Commission’s key information products via search functions, page hierarchies that categorize information, and a full site map. As described above, the SEC also continues to make the priorities and schedules for the Commission’s most requested public information products available on the SEC website, and updates the list as required.

- *Public Access to Electronic Information.* Pursuant to the requirements of Section 207(e) of the E-Government Act of 2002, “Public Access to Electronic Information,” the SEC continues to manage records consistent with the requirements of OMB Circular A-130 and guidance from the National Archives and Records Administration (NARA).

The Commission is currently formulating a plan and approach for meeting the detailed requirements of NARA Bulletin 2006-02, “NARA Guidance for Implementing Section 207(e) of the E-Government Act of 2002,” to focus on electronic records.

- *Funding of federal research and development activities.* The SEC does not fund federal research and development activities.