

July 9, 2008

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

**File Reference: File Number S7-11-08, *Interactive Data to Improve Financial Reporting***

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 rule on "Interactive Data to Improve Financial Reporting". We commend the leadership of the SEC with their foresight and tenacity in helping to drive the adoption of the XBRL format of interactive data (XBRL or Interactive Data). XBRL will not only improve the usefulness of information to investors, but will also provide the foundation for the incorporation of its benefits throughout various business processes.

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 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. Moreover, we have submitted 14 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 proposed rule.

We strongly support the proposed rule requiring the submission of Interactive Data based financial statements. We believe the SEC has given ample time for public companies to voluntarily adopt the use of XBRL. . Furthermore, we agree that the SEC must mandate the use of XBRL if it wants it to become widely employed in everyday practice. It is our further belief that without such widespread adoption and consistent availability of XBRL formatted data, the potential benefits to investors, analysts and filers will not be fully realized. As a result of the efforts and resources committed by the SEC, XBRL US, software vendors and others, the XBRL tools are robust, the resources are available, the US GAAP taxonomy is mature and there are effectively no obstacles to the rapid implementation of Interactive Data by SEC registrants.

The Commission has been thorough in documenting the rationale and support for the positions taken in the proposed rule. The attached document contains UTC's comments and observations to the specific questions raised by the Commission in the proposed rule. We view the adoption of XBRL formatted data for SEC filing purposes to be the catalyst for the ultimate transition to XBRL as the accepted means of generating, analyzing, disseminating and consuming financial information by many parties in countless situations. While the SEC's current efforts are largely directed towards the investing community, we see significant potential benefits for companies well beyond external reporting. The capabilities afforded by XBRL will provide a cost effective means, both internally and externally, to access and analyze data that is currently trapped in non-interactive and/or disparate systems. The ability to realize these benefits, however, relies on a certain critical mass being achieved; the impetus for which we believe comes from the SEC's proposed rule.

We commend the Commission for their foresight and initiative and would be pleased to meet with you to discuss any of the comments we have provided.

Very truly yours,

John Stantial  
Assistant Controller

Margaret Smyth  
Vice President, Controller

## ATTACHMENT

- 1. Should we adopt rules that require each filer's financial statements to be provided in interactive data format? If we do so, should we include a phase-in period or temporary exception for detailed tagging of the financial statement footnotes? Should schedules to the financial statements be tagged? What are the principal factors that should be considered in making these decisions? Is it useful to users of financial information to continue to have, in addition to interactive data, duplicate, human-readable financial statements in ASCII or HTML format? Yes, rules should be adopted that require the filing of Interactive Data based financial statements and schedules. Detailed tagging of footnotes should be phased in. As this will be the initial introduction to XBRL for many filers, it is appropriate to phase in the learning curve by initially allowing for block tagging of footnotes and then requiring detailed tagging as companies become more proficient. We do not believe there are any significant factors that would preclude the adoption of these rules. The three year voluntary filing program has enabled registrants, public accounting firms, software vendors and other suppliers to become acclimated to the XBRL process, tools and technology. There are numerous software packages available; the US GAAP taxonomy is mature; there are a number of external resources available and the cost to implementation is relatively insignificant. ASCII or HTML formatted statements should still be required until such time that rendering software becomes more prevalent. At that point, however, the duplicative requirement to also provide these formats should be eliminated in order to realize the full benefits of migrating to XBRL.**
- 2. What opportunities exist to improve the display of financial statements prepared using interactive data? For example, if the technology is sufficiently developed, should we propose rules to encourage or require a format that embeds interactive data tags in HTML so that the entire set of financial statements can be viewed in a browser? How should these affect any continued requirement to file ASCII- or HTML-formatted financial statements? What obstacles exist to making such improvements in the display of XBRL information? The increase in companies required to file using an Interactive Data Format will create a sufficiently large, sustainable market for software products. It is reasonable to assume that various forms of rendering software will, therefore, become available. To mitigate potential concerns and the cost impact to smaller filers, the SEC may want to consider providing such a tool on their website similar to their existing viewers. In general, we would prefer a separate means of viewing tagged data rather than incorporating with HTML. By linking to ASCII or HTML it prolongs the reliance on old technology and further delays the broad acceptance of XML based technology.**
- 3. Is it appropriate to require public companies to provide interactive data using XBRL? Alternatively, in place of such a requirement, should the Commission instead wait to see whether interactive data reporting by public companies is voluntarily adopted? Without a requirement, would the development of products for producing and using interactive data from private and public companies meet the needs of investors, analysts, and others who seek interactive data? Would a large percentage of public companies provide interactive data voluntarily, and following the same standard, if not required to do so? Most registrants have not voluntarily adopted Interactive Data for reporting over the last three years of the voluntary filing program (VFP) despite the lack of obstacles, the minimal cost, the benefits to be realized and so forth. There appears to be a natural resistance in the marketplace to change due in part to concerns over resource limitations, cost, and conflicting priorities. Although benefits could be realized, these concerns will often preclude voluntary change. We strongly believe, therefore, that the SEC should mandate use of Interactive Data and not rely on voluntary market adoption. Based on the limited participation in the VFP over the past three years, it is unlikely there would be much development of further software products without the proposed rule, as there would not be a sufficient voluntary customer base to warrant the investment.**
- 4. If we do not adopt the proposed rules and instead wait to see whether companies on their own expand their use of interactive data, would such data be less comparable among companies? Is there a "network effect," such that interactive data would not be useful unless many or all filers provide their financial statements using interactive data? Would the development of software for retail investors to obtain and make use of such data be slowed**

- without a requirement that companies provide interactive data?** If there is no governing oversight of the XBRL filing process by XBRL US, the FASB or another body, then we believe that comparability would be sacrificed under a voluntary effort as companies would have to make their own interpretations and may also want to expand the use of extensions as a result. There is definitely a “network effect” as investors are not going to expend the effort and resources necessary to modify their existing processes if they can only receive sporadic or limited financial data. Investors need to be able to access the same breadth and scope of data in an interactive format that they can currently obtain from the EDGAR database in HTML or ASCII.
- 5. What advantages are there to investors having the company responsible for preparing financial information in interactive data format, as opposed to a model in which third parties independently prepare the information in interactive format and charge a fee for it?** Beyond the obvious benefit of cost savings, financial data would be available the minute it is posted by the company. Currently a time lag exists when a third party receives a company’s financial data, transposes it into an interactive format, and posts it on line. Moreover, having a company prepare its own Interactive Data means such information will, reflect the company’s interpretation of its own data versus that of a third party that would not be as familiar. It has been estimated that data from third parties contains errors or misinterpretations as often as 30% of the time.
  - 6. Do commenters agree that compared to reports using ASCII and HTML, interactive data would require less manually-transferred data? If so, do commenters believe that the proposed rules would result in less human error and therefore contribute to reduced costs?** UTC agrees 100% based upon our experience with XBRL. The requirement to submit in HTML or ASCII requires data to be manually transferred from the source system to another vehicle that can be used for submission to the SEC. For us, this process involves significant effort to check, proof, validate and correct information that has been manually transferred from source applications into Microsoft Word and then HTML. On average, 20% of the total hours expended on the quarterly close process are spent on this manual effort. A move to interactive data will allow us to avoid this manual effort by leaving the information in the source systems, electronically creating the Form 10-Q and exporting the interactive document to the SEC. By moving to a more systemic process, there should be less human error, stronger controls and a reduction in effort.
  - 7. If we require interactive data reporting and the proposed rules result in more effective and efficient financial reporting with reduced human error and cost, would fees charged by financial printers or other service providers be likely reduced to reflect such lower costs?** This would likely be company and process specific. To the extent numerous changes are being made to the Form 10-Q/10-K that are being processed by financial printers or other service providers there would be a reduction in costs..
  - 8. If we adopt rules requiring interactive data financial reporting, is the XBRL standard the one that we should use? Are any other standards becoming more widely used or otherwise superior to XBRL? What would the advantages of any such other standards be over XBRL?** We are not aware of any other high quality standards. Moreover, UTC does not see a need to pursue other standards given the robust nature of XBRL, the widespread adoption throughout the world and the infrastructure that is currently in place to support XBRL.
  - 9. Is the XBRL format for interactive data sufficiently developed to require its use at this time with regard to both U.S. GAAP and IFRS as issued by the IASB? If not, what indicators should we use to determine when it has become sufficiently developed to require its use?** As noted above, we believe the XBRL format has been sufficiently developed for use with U.S. GAAP and that the U.S. GAAP taxonomy is very robust after the recent efforts to update. UTC does not have any practical experience in working with the IFRS taxonomy, We believe, however, the processes established by XBRL International that govern the development, structure and dissemination of taxonomies are solid.
  - 10. Are vendors likely to develop and make commercially available software applications or Internet products that will be able to deliver the functionality of interactive data to retail investors?** Not in a position to comment.
  - 11. How important is it that many different types of viewers with varying levels of sophistication and functionality be available to investors? In addition to the free viewer provided on the**

SEC Web site, are there likely to be other such products available at low or no cost? Not in a position to comment

- 12. If we require interactive data financial reporting, what are the principal challenges facing the eventual integration of such reporting with the current filing formats, ASCII and HTML, so that filing in all three formats would no longer be necessary?** The different filing formats are more exclusive than integrated; our current XBRL filings are done in addition to the HTML filing. There would be no associated challenge to switching from the current HTML format to an exclusively Interactive Data format.
- 13. Is the proposed schedule for implementation of interactive data tagging appropriate?** Yes – it provides more than adequate time given our experience.
- 14. Should we delay the first required interactive data submissions until the second half of 2009 or later? What benefits would there be to advancing or delaying implementation of the proposed rules? How much lead time do large accelerated filers need to familiarize themselves with interactive data and the process of mapping financial statements using the list of tags for U.S. financial statement reporting or IFRS financial reporting?** Our experience with past filings has indicated that the learning curve is fairly short with XBRL. The complete process of learning the software, tagging the financials, validating the effort and filing under the VFP took less than 80 hours. The ongoing requirement for this same effort is less than four hours a quarter. Based on this experience, UTC believes there is sufficient lead time before yearend 2008 for large companies to become acclimated with the Interactive Data process.
- 15. Should the initial submission required by the proposed rules be a periodic report? If so, should it be a Form 10-Q for domestic issuers? Would this be an easier report for companies to prepare, or would it be best for companies to begin providing interactive data with respect to the fiscal year end financial statements?** It would facilitate the adoption of Interactive Data and potentially help mitigate resistance if the first required submission were a Form 10-Q. This would also level the playing field for those with a calendar yearend and those with a fiscal yearend. Based on our past experience, the tagging of a Form 10-Q would be much easier in scope and effort than the tagging of a Form 10-K.
- 16. Instead of a cut-off using a worldwide public common equity float of \$5 billion at the end of the issuer's most recently completed second fiscal quarter, would an initial phase-in including all large accelerated filers or large accelerated filers with a smaller public float better accomplish the goals outlined in the release? If we use a public float, should it be \$5 billion or some other amount lower or higher than the proposed cut-off, such as \$3 billion or \$10 billion? Would some other cut-off or some other schedule be preferable? Would it be better to measure the public float as of a time other than the end of the issuer's most recently completed second fiscal quarter and, if so, when?** Rather than provide a random distinction between those with a public float above or below a certain level, it seems more appropriate to place all large accelerated filers in the first phase requirements. As noted above, the effort to file Interactive Data is not significant, the cost is minimal, and the tools are readily available. Moreover, the movement to mandatory adoption of XBRL has long been expected. There should be no practical obstacles to filing in phase I for companies that qualify as large accelerated filers.
- 17. Would the initial phase-in include enough companies to encourage potential vendors of interactive data products and services to invest in the development and marketing of new and improved products and services? If not, how would such a level affect the markets for both filer and investor products and services?** A number of XBRL software applications currently exist despite the relatively few companies participating in the VFP over the past three years. The potential for as many as 500 companies to be required to file in the initial phase with more than a thousand to follow within a year should provide a sufficiently robust market base to foster additional development efforts.
- 18. Should the phase-in schedules differ as between U.S. GAAP non-accelerated and smaller reporting companies and foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB?** The effort to tag and submit interactive financial statements should not vary significantly whether the entity is a large company, small company or foreign private issuer. UTC believes different phase in schedules overly complicates adoption efforts.

- 19. Is the proposed third-year phase-in approach for companies other than large accelerated filers necessary or sufficient for them to familiarize themselves with interactive data and the process of mapping financial statements using the list of tags for U.S. financial statement reporting or IFRS financial reporting?** Based upon UTC's experience we believe three years is more than adequate. As noted previously, the initial effort and learning curve are minimal.
- 20. Is the proposed third-year phase-in sufficient for smaller reporting companies and foreign private issuers to allocate the necessary resources and meet the proposed requirements, or would a more delayed schedule be appropriate?** Based upon UTC's experience, three years is more than adequate. The proposed effort does not require significant resources; tagging software is available for little to no cost; and there is always the option to outsource the effort to any one of a number of providers that are now available.
- 21. Should smaller reporting companies and foreign private issuers reporting in U.S. GAAP be subject to the proposed rules at all? Should compliance with the proposed rules be solely voluntary for smaller reporting companies or foreign private issuers reporting in U.S. GAAP?** Small reporting companies and foreign private issuers have as much to gain from Interactive Data as other filers, if not more. The ready availability of electronic data and the elimination of manual processes should help the company both internally as well as externally in terms of potential added or expanded coverage by the analyst community.
- 22. Would requiring interactive data from foreign private issuers reporting in U.S. GAAP create a disincentive for these issuers to use U.S. GAAP in preparing their financial statements? Is this offset by the proposed requirement that foreign private issuers reporting in IFRS as issued by the IASB use interactive data within three years? Should the requirements extend only to foreign private issuers reporting in U.S. GAAP that file on domestic forms?** We do not believe it would provide a disincentive to foreign private issuers (FPI's). It would seemingly be more problematic for FPI's to have to revise internal processes and systems to convert to IFRS from U.S. GAAP. This would especially be true in light of the requirement for those on IFRS to file in three years in any event.
- 23. Should foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB be subject to the new rules, as proposed? Should the proposed rules also apply to foreign private issuers that prepare their financial statements in their local GAAP and reconcile to U.S. GAAP for Exchange Act reporting purposes if their home jurisdictions have developed interactive data reporting programs? Would the proposed rules' current exclusion of such issuers create a disincentive for foreign private issuers to use IFRS as issued by the IASB for their Exchange Act reporting?** All entities subject to Exchange Act reporting should be subject to the rules as proposed. This avoids questions or perceptions of potential inequities while also ensuring the complete availability of XBRL formatted data for investors, analysts and others. Barring such conformity, these entities may actually be at a disadvantage if the marketplace moves to Interactive Data as the preferred means of analysis.
- 24. Are there extra burdens that foreign private issuers reporting in U.S. GAAP or IFRS as issued by the IASB would incur under the proposed rules? Do any such burdens necessitate a one year or other delay in the proposed phase-in requirement as and when it otherwise would apply to them?** We do not believe there are extra burdens imposed by the proposed rules on FPI's. Fundamentally, the majority of the reporting effort by any entity under U.S. GAAP or IFRS is in generating the underlying financial data. The added step of tagging and submitting this data in an interactive data format requires minimal additional effort. Whether U.S. GAAP or IFRS, the taxonomies are available for use and, after the initial tagging/mapping, would require minimal effort to sustain.
- 25. Do foreign private issuers using foreign filing agents have comparable or sufficient access to interactive data software and support services?** No basis for comment.
- 26. Should the proposed new rules apply to a Canadian issuer's financial statements prepared in accordance with U.S. GAAP and filed with the Commission under cover of Form 40-F? Should the proposed new rules apply to a Canadian issuer's registered offering on Form F-9 or F-10, or any other forms available under the Multijurisdictional Disclosure System?** Similar to the general commentary previously provided, it seems appropriate to require all filers subject to the Exchange Act to submit financial statements in an Interactive Data format in order

- to avoid any real or perceived inequities in the capital markets, and to afford all companies the same potential benefits of filing in an Interactive Data format.
- 27. Should we permit or require foreign private issuers filing their annual financial statements using U.S. GAAP also to provide in interactive data format any interim financial information that they furnish on Form 6-K? If so, what factors should we consider in determining whether to require or permit such submissions? Should such a requirement be phased in? What are the answers to these questions if the foreign private issuer uses IFRS as issued by the IASB?** UTC believes that FPI's should be permitted for a period of time to file their financial statements in an XBRL format with a phase in to a requirement. If the current submission of interim financial information is seen as beneficial to investors, then that same logic should be extended to the submission of this information in an Interactive Data format if the ultimate intent is to migrate the marketplace to this form of data submission. The approach should be the same whether the entity reports in U.S. GAAP or IFRS.
- 28. Should investment companies registered under the Investment Company Act, business development companies or other entities that report under the Exchange Act and prepare their financial statements in accordance with Article 6 of Regulation S-X be subject to the proposed rules? Is the current investment management list of tags sufficiently developed for required use by these companies?** Similar to the previous question, UTC believes investment companies should initially be permitted to submit Interactive Data under the proposed rules with a phase in towards a requirement. Artificial distinctions between classes of filers does not make sense. The effort to tag and submit an XBRL formatted document is the same whether a domestic registrant, an FPI, a small reporting entity, a large accelerated filer or an investment company. All entities subject to filing under the Exchange Act should be subject to the same proposed rules. Notwithstanding the forgoing, if the taxonomies for investment companies are not yet fully developed, they should be provided a waiver under the proposed rules until such time that the taxonomies are complete.
- 29. The Commission recently proposed to accelerate the filing deadline for annual reports filed on Form 20-F by foreign private issuers under the Exchange Act by shortening the filing deadline from 6 months to within 90 days after the foreign private issuer's fiscal year-end in the case of large accelerated and accelerated filers, and to within 120 days after a foreign private issuer's fiscal year-end for all other issuers, after a two-year transition period. In light of this rule proposal, should we lengthen the proposed phase-in deadlines for foreign private issuers, for example, by one year if the issuer is not a large accelerated filer?** As stated previously, UTC believes that based upon our past experience there is not a significant additional effort required to tag and submit financials in an interactive data format. As such, it would appear more beneficial to bring all entities subject to the Exchange Act rules into alignment to avoid any perceived or actual inequities and to also further the adoption of Interactive Data by helping push all relevant financial data into the marketplace in an Interactive Data format as soon as possible.
- 30. Are the proposed four levels of detail appropriate for footnote tagging? What alternative footnote disclosure items or criteria do commenters recommend we establish for tagging footnotes? Why would those be more appropriate than what we propose?** The rules as proposed for footnote tagging are appropriate. While block tagging may not initially be as beneficial to the users of financial statement information, it will still allow for the systemic retrieval of information while affording companies the time to develop their processes for detailed tagging.
- 31. Should we require all four levels for footnotes in the first year instead of using the phase-in approach for the more detailed tagging? Should detailed tagging of a filer's footnotes and schedules not be required until more than one year after its initial interactive data submission, for example, in year three or four?** A one year phase in period should be sufficient for filers to establish their processes and obtain the experience needed for the detailed tagging of footnotes. We would not recommend a postponement beyond the one year phase in period as this further delays the promulgation of the Interactive Data format and the benefits to the users of financial statement information.

- 32. Are the proposed two levels of detail appropriate for financial statement schedule tagging? If not, what alternatives would be more appropriate?** Given the nature of the schedules, UTC believes the two levels are appropriate.
- 33. Should we require both levels for financial statement schedules in the first year instead of using the phase-in approach for more detailed tagging?** Similar to the commentary on the footnote tagging, the two levels and phase in are appropriate. This provides a balance between getting tagged data into the marketplace for dissemination while at the same time affording companies sufficient time to establish their processes for detailed tagging.
- 34. Is the most detailed level of tagging too prescriptive, or is it too broad? Would it help to achieve comparability among filers? Would it impose an unnecessary burden on filers in preparing their XBRL data compared to the potential benefit to consumers of data? What problems or obstacles may be encountered in applying the proposed requirement?** To the extent standard tags exist for the detailed elements, the level of detail proscribed would appear to be the most advantageous. While there is some additional effort on behalf of companies in the period they first must submit detailed footnote tags, the effort should be substantially less in subsequent periods as the template will have been established. As noted previously, the submission of block tagged footnotes will likely have minimal benefit to the user community. Whether it is financial modeling, benchmarking, research or other financial exercises, the needs of the financial data users are typically at a granular level which would necessitate the detailed tagging of footnotes. Relative to potential problems or obstacles in applying this requirement, there may be some additional effort required by companies to segregate or otherwise re-format their footnotes in a fashion that would facilitate a detailed tagging. Given that footnotes do not tend to change dramatically from period to period, this additional effort should largely be confined to the initial period in which detailed tagging is required.
- 35. Would the most detailed level of tagging result in the creation of a high number of company-specific extensions? If so, would the additional effort needed to create new extensions diminish once a filer has tagged at this level of detail? Should the tagging requirement instead be only to require detailed tagging to the extent a standard tag already exists in the standard list of tags?** We do not believe that detailed tagging of the footnotes will create a significant number of company extensions as the disclosure requirements under U.S. GAAP apply equally to all companies. Tagging should not be limited to only standard tags as this would potentially exclude important or relevant information that financial statement users may require.
- 36. Does the proposed rule provide adequate and effective guidance on how to tag information in the footnotes to the financial statements? For example, would it be feasible for companies to identify the narrative disclosure required by U.S. GAAP or IFRS as issued by the IASB that needs to be tagged separately? Should it be more principles-based? If so, what should those principles be?** It is difficult to ascertain at this stage if the guidance will be sufficient until actually practiced. The SEC should consider calling for specific examples to be added to the XBRL US Preparer's Guide to help ensure proper compliance. The SEC should consider providing more explicit guidance in a year or two based on issues experienced by filers. UTC does not advocate moving to more principles based disclosure as this introduces more variability into the process. Until such time that companies have become acclimated to the new filing requirements and established their internal processes, the requirements and rules should remain fairly prescriptive and in line with current reporting requirements.
- 37. Do the standards we propose for tagging provide clear enough guidance for preparers so that we can expect to achieve consistency among filers?** As stated above, the standards appear sufficient. This will be difficult to substantiate until such time that filers begin submitting Interactive Data and their experiences can be conveyed.
- 38. Should schedules to the financial statements be omitted from our proposed rule? If so, why?** Schedules should not be omitted from the proposed rule. If schedules are deemed relevant and important to financial statement users today, why would they become any less relevant under the proposed rules and therefore omitted? For the marketplace to migrate completely and efficiently to an Interactive Data medium, complete and consistent financial information must be disseminated to that marketplace.
- 39. What additional costs and burdens would there be with detailed tagging of the financial statement footnotes and financial statement schedules as opposed to "block" tagging?** For



filers doing their own tagging there should be no additional cost to detailed footnote tagging. UTC does not have a basis for determining the incremental cost if a company outsources the effort. Detailed tagging will add a significant number of hours relative to block tagging. However, as stated previously, these hours should mostly be incurred in the initial period detailed tagging is required. After that first XBRL filing, the company's internal processes should be established as well as the template for footnote tagging which should substantially reduce the ongoing compliance effort.

- 40. Would investors and other users of tagged data benefit from the tagging of individual amounts (i.e., monetary values, percentages, and numbers) and narrative disclosures within each footnote together with block text?** Yes. The various users of Interactive Data will have different needs. Investors, for example, may want to retrieve and link only numbers into their models, which would be complicated under a block tagging scenario. Analytics, benchmarking and research activities all vary in terms of their requirements. Tagging individual amounts enables these requirements to be adequately addressed without sweeping in significant levels of extraneous data that may then require further manual effort to analyze, which mitigates the benefits of providing data in an electronic format.
- 41. Should we require that filers reporting in U.S. GAAP, or in IFRS as issued by the IASB, tag their document and entity information? Would this information be useful in interactive data format?** Yes – this information would presumably assist users in facilitating electronic analysis and retrieval of the data.
- 42. Is it reasonable to expect that requiring interactive data-formatted financial statements in general or footnotes in particular will not change the discretionary content that companies provide in the traditional format filing? Would the availability of tagged data possibly cause competitive pressures on filers to choose to make more disclosures that are permissible, encouraged, or otherwise not required by Commission regulations? Alternatively, might the availability of tagged data possibly cause filers to choose to curtail such disclosures? What types of disclosures would those be?** UTC believes that requiring Interactive Data will not change the discretionary content that companies have historically provided in traditional formats. If the content had been considered relevant and useful to the users of the financial statements, then it should be expected that companies would continue to provide such data in an Interactive Data format. Notwithstanding this fact, some companies have expressed concerns over the increased transparency of data, whether due to competitive pressures or other reasons. It may be possible, therefore, that some companies begin curtailing their discretionary disclosures. Regardless of whether data is provided in a traditional format or an interactive format, companies will still be subject to all reporting requirements, rules, regulations and market demands which should help ensure that a migration to Interactive Data does not compromise financial statement disclosure content and quality.
- 43. Should transition reports not be subject to the proposed rules? If not, why not?** Transition reports should be subject to the proposed rules. If financial statement users begin to rely on the interactive format of financial submissions, users would be missing key information from transition reports if these reports were also not provided in an interactive format.
- 44. Would users of financial information find tagged financial statement schedules useful for analytical purposes?** If users are finding the financial statement schedule data useful today under the traditional filing formats, then it is reasonable to assume they will find equal value under an interactive format.
- 45. Should the proposed rules require interactive data submissions for a filer's financial information provided under Forms 8-K and 6-K, such as earnings releases or interim financial information? If so, what level of tagging detail would be appropriate, and would a reasonable grace period from the date of the Form 8-K or 6-K to the deadline for interactive data (e.g., one, three, or five days) address concerns that filers require additional time to provide interactive data for such financial information? Does financial information provided under Form 8-K or 6-K, such as earnings releases, present additional burdens compared to other forms that would warrant excluding them from the proposed rules? The proposed rules should encompass these forms as well. It is our understanding that the analyst/investor community tends to rely on these earlier releases of financial information for much of their analysis as it is timelier. For the past two years UTC has furnished our Form 8-K in**

- an XBRL format concurrent with our official HTML filing. Based on this experience, we would advocate that the two should be submitted concurrently and not subject to a delay. The effort to tag the Form 8-K is significantly less cumbersome than that for a 10-Q as the data is principally confined to the primary financial statements. As such, we do not see an additional burden being imposed on filers such that these forms should be excluded from the proposed rules.
- 46. Should the proposed rules require interactive data submissions for other financial statements that may be provided by filers, including those provided pursuant to Rules 3-05, 3-09, 3-10, 3-14 and 3-16 of Regulation S-X? If so, how should a requirement be phased in?** Before broadening the requirements beyond the interim and annual financial statements, the Commission may want to first assess, for a period of time, the experience of filers and users under the existing proposed rules. If companies acclimate well and the marketplace quickly migrates to the Interactive Data format, then additional consideration could be given to expanding the tagging and filing requirements.
- 47. Should we provide an opportunity for non-investment company issuers to submit voluntarily interactive data format information other than that which they would be required to submit as interactive data? If so, should we permit such interactive data format information to be subject to provisions governing the proposed required filing of interactive data? Should we instead permit such interactive data format information to be submitted under a modified voluntary program that would apply to such information in a manner similar to the way it applies to XBRL-Related Documents under the current voluntary program?** We would strongly recommend that the VFP be continued and that companies that are not yet subject to the proposed rule requirements be allowed to voluntarily submit financial statement information. The open-ended, flexible nature of the current VFP greatly assisted UTC in our efforts to become familiar with the requirements of tagging and submitting XBRL tagged documents. Continuing such a voluntary effort should allow other companies to work through the learning curve and establish their internal processes in a comfortable environment prior to their requirement to file in an interactive format. This should benefit the SEC, companies and users of financial statement information as presumably, the quality of the data to be submitted should be much higher once companies are required to tag and submit under the proposed rules.
- 48. Should we require or permit interactive data submissions for executive compensation? Would interactive data of executive compensation be useful to investors? Approximately how much additional cost would interactive reporting of executive compensation require of companies?** We would advocate voluntary submission only of executive compensation data. This data does not seem to be as relevant as the financial statement data to potential investors and analysts. In UTC's specific circumstances, the executive compensation data disclosure process is managed by in-house legal counsel. Requiring UTC's executive compensation in XBRL format would mean training additional personnel in the use of XBRL and establishing additional processes, as all such work is currently performed within our financial reporting group. The effort and complications associated with incorporating another organization and additional processes do not seem to equate to a commensurate value to be received by investors.
- 49. If we were to require or permit interactive data for executive compensation, should all narrative and numerical disclosure required in the traditional electronic filing be required in interactive data format? If we were to require only a subset of the required disclosure, what subset should be required? For example, would it be appropriate to require tagging of only the Summary Compensation Table and other tables as applicable? Would it present an accurate picture of the compensation? How should an interactive data requirement for executive compensation treat the footnotes and narrative disclosure?** If the tagging and submission of executive compensation data were to be permitted, it would seem reasonable that the full disclosure should be tagged and not pieces or subsets. If the information is deemed important and relevant today under traditional filing formats, its relevance should not change in an interactive format and, therefore, all information should be required. Footnotes and narrative should most likely be block tagged.
- 50. If we were to require or permit interactive data for executive compensation, should we require the same data provided by the Executive Compensation Reader currently available on our Web site?** Yes - See previous comments.

- 51. If we were to require or permit interactive data for executive compensation, should the interactive data be filed with the proxy statement, which often contains the executive compensation disclosure, or as an amendment to the Form 10-K, which often incorporates the executive compensation disclosure by reference? Would it diminish significantly the value to investors if interactive data for executive compensation were not required to be submitted until, for example, 30 or 45 days after it was required to be submitted in traditional format? If there were such a 30- or 45-day delay in the requirement, would it be advisable to permit the delayed submission to be made in an exhibit to a Form 8-K or to an amendment on Form 10-K?** Amending a Form 10-K would not be an efficient means of filing as it creates significant additional work for companies and their reporting staffs. A delay in providing this data would also not be efficient or beneficial. The marketplace values, and in some cases demands, the timely reporting of financial information. If the executive compensation data is released first in traditional format and then 30-45 days later in an interactive format, the market will work with the traditional format and most likely ignore the interactive formatted data. Effectively companies are forced into performing additional work with no apparent benefit. While it would create additional up front work, the more efficient and practical approach would be to have the tagged executive compensation data submitted with the proxy.
- 52. How should a requirement to provide interactive data for executive compensation apply to foreign private issuers?** Similar to previous comments, if there is perceived market value in receiving this data, then the same requirement should apply to all entities subject to the Exchange Act requirements.
- 53. Should we require or permit interactive data submissions for other financial, statistical or narrative disclosure, such as beneficial ownership of management and five percent or greater shareholders or tabular disclosure of contractual obligations?** As with the potential extension of the tagging and filing requirements beyond interim and annual reporting, we would suggest that the Commission allow the current rules as proposed to operate for a period of time in order to assess the filers' ability to acclimate and the degree to which the marketplace migrates to the interactive data format. Based on this assessment, further consideration could be given to extending the filing requirements to other data submissions.
- 54. Should registration statement financial information be subject to the new rules, as proposed? In particular, should registrants making initial public offerings in year three (and later years) of the phase-in period be required to provide interactive data if, as would be typical, they were not already required to file periodic reports subject to the requirement to submit an interactive data exhibit? Should we permit rather than require interactive data to be provided in initial public offerings or other registration statements?** As the presumption is the marketplace will begin to migrate to the use of interactive data once these proposed rules go into effect, it is reasonable to assume that by year three, users will not only be well acclimated to Interactive Data, but will be expecting and relying on it. As such, it seems reasonable to require registrants making IPO's to submit Interactive Data.
- 55. If we require interactive data, should the proposed rules apply to registration statement financial information based on the size of the registrant (for example, distinguishing between large accelerated filers and smaller reporting companies)?** The size of the registrant should be irrelevant as the effort required is fairly uniform.
- 56. Should the proposed rules require filers to include interactive data with respect to all filings of the registration statement when the registration statement is filed multiple times due to amendments? If not, which filings of the registration statement should be subject to the interactive data submission requirement? Should we, for example, limit the Securities Act filings that would require interactive data to those that contain a preliminary prospectus that is circulated? Should the proposed rules apply to a final prospectus supplement filed under Securities Act Rule 424? If we require interactive data with filings that do not currently include exhibits, such as final prospectuses, should we require that the interactive data be provided as schedules or exhibits? Once interactive data are provided with a registration statement, should we limit the requirement to provide interactive data for amendments to only the amendments that reflect substantive changes from or additions to the financial information? Would revising interactive data that previously were provided in connection with a registration to reflect changes to the registration statement involve much**

- burden?** If the presumption is that investors and others will migrate towards reliance upon interactive filings, the failure to provide an interactive filing with every amendment may force investors to have to refer to both the traditional format filings and interactive filings in order to ensure they have the most current and relevant data. This would seem to be both inefficient and counter-productive to the initiative to get the marketplace acclimated to Interactive Data and to ultimately enable the cessation of traditional filing formats. Based on this presumption, it would appear reasonable to require the submission of Interactive Data with all amendments and that that data consist of a full filing, not just the elements that may have changed.
- 57. Should interactive data be required only in connection with initial public offering registration statements under the Securities Act, rather than, as proposed, all Securities Act registration statements?** Yes. Similar to previous comments, it would be beneficial to monitor and assess the acclimation of filers under the proposed rules as they are, and the general marketplace acceptance of Interactive Data before extending to additional filing requirements.
- 58. In a registration statement on Form S-4 or F-4, or proxy statement relating to a proposed merger, should interactive data be required for the company being acquired as well as the acquiring company? Should interactive data of the company being acquired be required only if that company already is subject to interactive data reporting under the proposed rules?** The requirement should only apply if the entity being acquired is already subject to the interactive data requirements. In other situations, requiring the company to submit interactive data could place significant additional burden and complications on the entity during a period where they are already subject to significant reporting requirements associated with the proposed acquisition.
- 59. Should we also require interactive data to be provided in connection with Exchange Act registration statements on Form 10 and Form 20-F?** No. Similar to previous comments, it would be beneficial to monitor and assess the acclimation of filers under the proposed rules as they are, and the general marketplace acceptance of Interactive Data before extending to additional filing requirements.
- 60. Should we permit interactive data information to be provided later than the related filing for the first year, rather than just the first filing? Should we provide a grace period for the first filing as to which the issuer is required to tag financial statement footnotes in detail? Is a grace period not needed?** We agree with the Commission's assessment that there are not obstacles to providing the interactive filing concurrent with the traditional filing base upon our experiences. However, for those that are just beginning to work with XBRL, there is a learning curve needed to establish internal processes. To assist these entities and improve the acceptance by filers, we would suggest a grace period for the entire first year of filings. For similar reasons, a grace period for the first filing with detailed footnotes is also recommended.
- 61. Should any grace period either for the first filing or for subsequent filings be for fewer or more than 30 days, such as five, 20 or 45 days? What would the impact of a grace period be on the usefulness of interactive data?** After the first filing, a grace period in the order of five days may be a better balance between affording filers some additional time and still getting data into the marketplace quickly to meet investor and analyst needs.
- 62. Should we adopt rules that require each filer to post interactive data from registration statements and periodic and transition reports on its corporate Web site, if it has one?** Yes. As the proposed rule notes, the more readily available the data, the more expeditious the acceptance by the marketplace. Many users of financial data are accustomed to going to a company's website to obtain that data. As such, it would appear beneficial to have the Interactive Data posted to the website in addition to EDGAR.
- 63. What advantages, if any, would dual Internet and EDGAR availability have for users, search engines, software developers, and others involved in the extraction and processing of financial data? Would it be helpful if our Web site provided the option to download the interactive data submission from our Web site or the issuer's Web site? Would it add a significant burden if an issuer were required to submit with its interactive data the URL that would link specifically to that interactive data as posted on the issuer's Web site or, alternatively, link to a part of the issuer's Web site from which there would be easy access to the interactive data as posted there? What would facilitate the realization of any advantages of Web site posting, for example the use of a standardized URL for interactive data? Would**

- a standardized URL add significant cost to posting?** As the users of financial data likely reference a number of sources to obtain their information, it would be beneficial to have the interactive data posted on both the company's website and EDGAR. An option on the SEC's website that would direct users to either location could be beneficial, especially if companies have additional financial information contained on the website that may be of use or relevance to the financial data users. It should not add a significant additional burden for companies to add a URL link in their submissions. As most companies have a standard Investors Relations component to their websites, a standardized URL or other mechanism should not be necessary.
- 64. Instead of requiring Web site posting, should we require that filers disclose in their registration statements or reports whether or not they provide free access to their interactive data on their corporate Web sites and, if not, why not?** No. Website posting would be a direct and more efficient means of providing the data especially if potential users are simply using search engines or otherwise conducting generic searches. Including references in other documents assumes all potential financial data users will go to those documents which is not necessarily a valid assumption.
- 65. What impact would be realized by filers that do not currently provide Web sites? Would the proposed rules affect whether filers create or maintain Web sites?** Not in a position to offer comment.
- 66. Would Web site posting decrease the time and cost required for aggregators of financial information and users to access disclosure formatted using interactive data?** Yes as the data by its nature would be real time.
- 67. If we require Web site posting of interactive data, should we also require that the Web site include language stating that the entire registration statement or periodic report also is available for free at the Commission's Web site?** Yes.
- 68. If we require Web site posting of interactive data, should we require, as proposed, that each filer provide the interactive data on its corporate Web site on the same day as the related filing, instead of at the same time?** We recommend same day posting versus simultaneous posting of information. This will accommodate resource availability or other potential issues that may be encountered in the process without having to hold up the official EDGAR filing.
- 69. Do the proposed rules strike an appropriate balance to promote the availability of reliable interactive data without imposing undue additional costs and burdens? If not, what balance of liability will best encourage filers to prepare reliable interactive data without subjecting them to undue fear of mis-tagging? How does the "extensibility" of interactive data, i.e., a filer's ability to customize the standard list of tags to correspond more closely to the company's particular financial information, affect your answer?** We would recommend that during the first year of submissions that filers and their interactive submissions be subject to the same liability provisions as currently exist under the VFP. This should provide some relief to companies as they develop their processes and become acclimated to the use and filing of Interactive Data. After the year's grace period, the interactive filing should be subject to the same liability provisions as the existing traditional format filings. Extensibility is a necessary aspect of interactive data and, as such, is just another factor to be addressed in the external reporting process and does not warrant special consideration.
- 70. What are the risks to investors under the proposed liability rules? Will investors still find the interactive data sufficiently reliable to use it?** No basis to comment.
- 71. Should interactive data be subject to liability if a filer does not tag its financial information in a manner consistent with the standards approved by the Commission, irrespective of the filer's good faith effort? If the answer is yes, what should the filer's liability be for such errors, and should liability attach even if the mistake is inadvertent? What if the error is the result of negligent tagging practices, but there was no affirmative intent to mislead? If the error occurred despite good faith efforts and a proper internal control environment, companies should not be penalized under the liability rules. The error can be noted and rectified. If a filer's practices are negligent or indicative of a poor control environment, then they should be subject to liability provisions.**
- 72. If interactive data are subject to liability as proposed, is it necessary or appropriate for viewable interactive data to be subject to liability as and to the extent proposed or otherwise? Should the answer depend on the degree of liability to which the interactive data**

- are subject? **Should viewable interactive data be subject to liability in a manner or to an extent different than as proposed?** The liability provisions, however enacted, should apply equally to the underlying Interactive Data as well as the viewable data. As noted above, all such data should be subject to the same liability provisions as the data currently furnished under the VFP for the first year of filings. We believe that all data should then be subject to the same liability provisions as traditional format data that is currently submitted.
- 73. Should any or all interactive data be encompassed within the scope of officer certifications? Is there any reason to treat interactive data differently from traditional format data in this respect?** The XBRL data should be treated no differently than traditional format data as the intent is to migrate the financial marketplace to the use of Interactive Data and away from the current traditionally formatted data.
- 74. Should any or all interactive data be deemed filed for purposes of Section 34(b) of the Investment Company Act and, if so, should it be regardless of compliance with proposed rule 405 or a filer's good faith and reasonable efforts to comply?** Yes – after a suggested first year grace period as previously noted.
- 75. Should the liability for interactive data be exactly the same as it is for XBRL-Related Documents under the voluntary program?** Yes, for the first year as previously suggested.
- 76. Would software be commercially available and reasonably accessible to all required interactive data filers, investors and analysts that would make detection of tagging errors, such as the use of inappropriate tags or improper extensions, easy and cost-effective? If so, would such monitoring by investors and analysts likely discourage the improper use of extensions or negligent conduct in the tagging process?** No basis for opinion.
- 77. Would the use of software to search for and detect any differences between a filer's interactive data and the Commission-approved interactive data tags, financial statement captions, and other attributes depend on the degree of analyst coverage or investor interest?** No. The availability of such software would enhance the filer's control structure and provide additional validation regardless of analyst coverage or investor interest.
- 78. Should a rule expressly state that the Commission retains the authority to enforce compliance with proposed Rule 405?** Yes.
- 79. Should we require the involvement of auditors, consultants, or other third parties in the tagging of data? If assurance should be required, what should be its scope, and should any such requirement be phased in?** We believe that assurance should ultimately be a requirement. As the potential users of Interactive Data will be extracting that data in potentially raw form (i.e., not in a traditional financial statement format) for use, there needs to be some underlying assurance that the data can be relied upon. The attestation of the data should cover the use of the proper tags, the proper creation of extensions, and that the associated data is correct. Without such attestation, the underlying data could be audited and be completely correct and yet be unintentionally or intentionally rendered incorrect in the interactive format. As the intent is to migrate financial statements users to Interactive Data, there would be no control or assurance over the propriety of the data they would be using in this circumstance. As opinions are currently fragmented over this issue, a potential requirement for attestation should be deferred during the initial year so that efforts can be undertaken to develop the process, the form of opinion, the guidelines, and so forth.
- 80. Should we phase in increasing levels of liability over time? Are the proposed limitations on liability necessary and appropriate at the outset, for example, the first year that a company is subject to the interactive data requirement, but inappropriate at a later time? Should we require that interactive data be subject to more liability later?** As suggested previously, the first year's liability should be similar to that which currently exists under the VFP. Subsequent to the first year, the liability provisions should be the same as those that currently exist for traditional format filings with the exception for errors that occur despite good faith efforts and proper control environments.
- 81. Should the validation software, as contemplated, cause an interactive data exhibit with a major error to be held in suspense in the electronic filing system while the rest of the filing would be accepted and disseminated if there were no major errors outside of the interactive data exhibit? In that case, should the validation software hold the entire filing in suspense or reject or accept the entire filing or interactive data exhibit?** To meet the demands of the

- marketplace for timely data, only the interactive exhibit should be held up until the major error is rectified; the remaining filing should be processed as is.
- 82. Should the proposed rules eliminate the requirement that the financial information be submitted in traditional format, in addition to interactive data format? Should cautionary language from the voluntary program be eliminated or modified and, if not, why not?** After the first year, the requirement for traditional format financial information should be eliminated assuming there are adequate rendering tools available in the marketplace. With a requirement to submit both Interactive Data and traditional formats, there is a redundant effort required of filers. In order to realize the full benefits of moving to interactive data, this redundancy needs to be eliminated. Additionally, the ready availability of traditional format financials may slow the adoption of Interactive Data due to the natural resistance of the marketplace to change.
- 83. Is our focus on comparability appropriate? Instead of stressing ease of financial statement comparability, should our rules permit greater use of customized data tags?** Effective comparability should be a focus of the proposed rules as it appears to be a priority of investors. With 13,000+/- tags in the new U.S. GAAP taxonomy, there should be a minimal requirement for companies to generate extensions. To the extent they are required, they likely pertain to very unique attributes where distinction is important. Whether extensions are utilized or not, the use of standard tags in other areas and the electronic accessibility will still provide a significant improvement over the current process.
- 84. Should we codify any other principles to encourage comparability without unduly reducing the extensibility of interactive data?** No.
- 85. What specific guidance should be provided in Regulation S–T for interactive data filers?** Guidance should be specific as to the principal objectives in tagging and the selection of tags. It should further provide guidance on the use of extensions; how they will be assessed by the SEC; the process for resolving potential interpretation issues between an available standard tag and an extension created; the requirements to change and the level of detail that should be contained in the tag's elements.
- 86. Does the XBRL U.S. Preparers Guide provide useful guidance to promote consistent tagging between periods and among various companies?** UTC believes it is somewhat basic in this regards and could use further enhancement including, potentially, some agreed upon industry specific tagging conventions included in appendices. In general, while the Preparer's Guide is a significant improvement over the lack of guidance that previously existed, the Guide still tends to be too technical in nature. Many, if not most, of the individuals that will be responsible for tagging and submitting interactive documents will likely not be technically proficient in XML and related matters and would benefit from guidance that is more in layman's terms.
- 87. Is the user guidance accompanying tagging software and the guidance available from financial printers and other service providers helpful for filers to tag their financial statements? What other sources of guidance might prove useful?** Guidance from the two software providers we have used has been very helpful as has certain advice and verbal guidance from our financial printer. The experiences of other filers as well as whitepapers, case studies, web casts, and other communications done by various organizations including XBRL US are also helpful.
- 88. Are the consequences for failure to comply with the interactive data submission requirements appropriate?** The consequences appear reasonable and balanced.
- 89. Should the proposed rules treat companies that do not comply as not current? Should the proposed rules provide similar treatment whether the failure to comply relates to interactive data submission, or to corporate Web site posting?** As the intent is to promote the use of Interactive Data and to ultimately migrate away from the current traditional filing formats, a failure to comply with the proposed rules should result in the company being non-current. However, if the company successfully provides the Interactive Data to the marketplace through EDGAR, an issue or delay in also posting to the company's website should not necessarily be deemed non-compliant.
- 90. Alternatively, should the proposed rules go further and treat companies that do not comply as not timely?** The existing proposal is adequate at this stage of the initiative. After a period of time, the compliance by filers can be assessed and a determination made if further rules are required.

91. **Should the proposed rules treat a filer's compliance with interactive data reporting as an express condition to the filer's registration statement's being declared effective?** Yes, after a grace or phase in period that allows companies to become acclimated to the process.
92. **Does our proposed rule strike the correct balance of positive and negative consequences when a filer meets its requirements to provide traditional format documents but fails to provide interactive data?** Yes.
93. **Do commenters believe that the proposed revisions to the hardship exemptions would be sufficient to cover unanticipated technical difficulties associated with interactive data? If insufficient, why would they be insufficient and how should the hardship exemptions be tailored to address technical difficulties associated with interactive data? For example, would six business days be an appropriate period for the temporary hardship exemption to apply? If not, would a shorter or longer period be appropriate, and why?** As the software tools have now been successfully used for a number of years, EDGAR can accommodate XBRL formatted information and as companies have a considerable amount of time to phase in their efforts, the proposed hardship revisions appear adequate and no further changes are required..