

July 31, 2008

Securities and Exchange Commission  
Attn: Secretary  
100 F Street, NE  
Washington, DC 20549

Re: Proposed Rule – Interactive Data to Improve Financial Reporting File No. S7-11-08

*I am unaware of any facility allowing for anonymous comments; please excuse me if this approach is not allowed or if I have executed this submission incorrectly. Unfortunately my current employment status does not allow me to comment openly as my employer stands to benefit considerably from the adoption of XBRL.*

First let me state that I applaud the SEC's commitment to the improvement of filings through the use of "Interactive Data". However, the selection of eXtensible Business Reporting Language (XBRL) as the underlying format for such data reporting is perilous and highly misguided. XBRL's suitability as a filing format has several strikes against it, the most severe of which are listed below.

**1. Conflict of Interest.**

One of the guiding tenets of the SEC is to ensure compliance by all companies and the accountants that serve them. The vast majority of the XBRL design community is made up of Certified Public Accountants. Allowing accountants to design the submission format used for reporting their own submissions is akin to allowing "the fox to design the hen house". I would not begin to accuse any members of the XBRL Consortium of any impropriety, but the SEC must, minimally, take a suspicious stance to ensure compliance.

**2. Specification Ownership.**

The XBRL specification is owned, controlled and maintained by a select few members of the XBRL Consortium. However, the SEC should have sole ownership of any specification that is used for filing to avoid haphazard changes or stagnation and to minimize communication downtime so endemic of third party vendors. The XBRL.org website has already been unreachable for long periods of time during the SEC's trial period. Reliable connectivity to XBRL.org and XBRL.us is not guaranteed.

**3. Increased Complexity and Reduced Equality.**

XBRL is ridiculously complex (15,000 concepts, 20,000 relationships!); even the 129 page Preparer's Guide does not contain enough instruction to completely describe how XBRL is created by a company. It is virtually impossible for anyone other than an expert in XBRL to correctly create an instance document and its accompanying extensions. Example:

Preparer's Guide, page 38:

*"It can be difficult to decide between selecting an element from the taxonomy and creating a new element, but it is important that preparers only use an existing taxonomy element if it accurately represents the financial reporting concept being reported. At the same time, if an existing element appropriately represents the financial reporting concept, it should be used,*

*because creating a new element that is redundant with what already exists in the taxonomy reduces the usefulness of the financial information in XBRL.”*

In addition, there is far too much reliance on technology to build, extend, validate, render and analyze XBRL files. Due in part to this heavy reliance on technology, those with the largest pocketbook will have better access to information that is effectively locked away in the labyrinth of XBRL filings by purchasing or developing better software.

#### 4. **Extensions Reduce Clarity.**

XBRL extensions should not be allowed for compliance filing. Extensions actually reduce the comparability and clarity of files that should instead be made more transparent. Even the XBRL Preparer’s Guide admits that extensions reduce comparability while at the same time stating extensions are required for all documents:

Page 13:

*“...even if every line item on the face of the financial statements of a company had a corresponding element in the XBRL US GAAP Taxonomy, the preparer would still need to create an extension.”*

Page 60:

*“...there is no requirement that the labels in the instance document exactly match the line items in the financial statements.”*

Page 61:

*“...an extension taxonomy will never have enough information in it to allow (or force) users of an instance document to see exactly what they would see in the formatted and printed financial statements.”*

#### 5. **Lack of Preparedness and Resources.**

Many are simply not ready<sup>1,2</sup> to take on such a monolithic endeavor in such a short time frame, with 70% of surveyed CFO’s saying they wouldn’t be ready until 2010 or later.

Quotes of tagging times and costs are seriously underinflated thanks mostly to “volunteer” work and the currently low volume<sup>3</sup> of XBRL filings. Costs in time and money will skyrocket as the law of *Supply and Demand* kicks in.

Expertise in the XBRL world is in short supply<sup>4</sup>, 86% of accounting professionals polled, reported that their organization was not ready for XBRL and 84% described themselves as “novices”.

Thank you for the opportunity to comment.

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<sup>1</sup> [Grant Thornton Survey](#), May 14, 2008.

<sup>2</sup> [Compliance Week Survey](#), July 1, 2008.

<sup>3</sup> [IRWeb Report](#), April 17, 2008.

<sup>4</sup> [Institute of Management Accountants and Ajilon Finance](#), 2008