February 7, 2008

Mr. Robert C. Pozen
Chairman Advisory Committee on
  Improvements to Financial Reporting
c/o Mr. Conrad Hewitt
Chief Accountant
Securities and Exchange Commission
100 F Street, N.E. Washington, DC 20549

EDGAR Online, Inc. [NASDAQ: EDGR] is pleased to submit comments on a number of the issues under consideration in the Draft Decision Memo issued by the Securities & Exchange Commission (SEC) Advisory Committee on Improvements to Financial Reporting (Committee) released on January 11, 2008. EDGAR Online, Inc. (EDGAR Online) applauds the Committee's focus on ways to make information presented by United States public companies more useful and understandable as well as less complex for investors, preparers, and financial professionals. We agree that financial reporting has become both burdensome and expensive without increasing transparency and needs to become more relevant to end users in order to maintain the competitive advantage enjoyed by the United States in the global capital market place. Our comments will focus on the section in the report addressing delivery of and business information in Extensible Business Reporting Language (XBRL).

We strongly believe in the potential of XBRL to save time, money and improve the quality of business reporting and securities analysis. We are encouraged by the many areas of the report that promote movement to XBRL for U.S. securities fundamental reporting. We believe that success with XBRL in United States corporate financial and business reporting will create momentum for XBRL in other asset classes and in other business reporting requirements. Ultimately, XBRL can drive down the cost and burden of business reporting and open up desperately needed transparency across all asset classes. As an example, the recent issues experienced in the sub-prime mortgage market were driven by a fundamental lack of transparency in pricing and the underlying assets. This experience clearly demonstrates that marketable securities are becoming increasingly complex, market participants are investing in more complex vehicles and that data standards like XBRL are essential to the effective functioning of the next-generation markets. Simply said, we all need XBRL to be successful and we believe the report and Committee are taking important initial steps to ensure this success.

However, we have concerns with some areas of the report including those that address the implementation of XBRL. If these areas are not addressed appropriately, implementation of XBRL in the securities market could needlessly be delayed, creating new problems and costs for market participants and result in less useful investor information. We would like to safeguard the credibility of this important movement towards more efficient reporting at this critical time in its development.

EDGAR Online's goal with this letter is to ensure that the Committee's ultimate decision has credibility with all the market participants and that the United States capital markets are well positioned for success with XBRL so that our markets continue to be the most transparent and effective international market place. EDGAR Online would be pleased to discuss its views with the Committee or the Securities Exchange Commission Staff.

Introduction

Over the past four years EDGAR Online, has developed the largest commercial XBRL database in the world for the US equity markets. Our database contains ten years of history of annual, quarterly, year-to-date and trailing twelve month information for the three main financial statements (Balance Sheet, Income Statement, and Cash Flow Statement), company descriptions, ratios, and some footnotes converted to XBRL for all 12,416 US public companies. Our automated data tagging solution utilizes business rules, which define how individual elements on a company's financial statement should be mapped to the XBRL taxonomies, to process and tag data. This system has been built on our experience processing real-time SEC information and allows for the unique reporting styles of U.S. and ADR filer companies. This business rules engine leverages approximately 1.2 million business rules to guide the ongoing translation of information against the XBRL taxonomies for the U.S. market. We sell access to this database to very demanding users including hedge funds, investment banks, money managers, auditors, corporations and academics, some of which trade directly on our data.

As a result of this tagging, we have, in essence, already taken the entire U.S. market cap to XBRL for the primary schedules listed above. We are writing this letter with the unique perspective of having already analyzed and made tagging decisions for all publicly traded companies in the United States for ten years of filings.

In addition to the work described above, we have used our technology and processes to produce filings for companies that participate in the SEC voluntary filing program. Since the inception of the SEC voluntary pilot program, EDGAR Online has been an active participant in the SEC VFP through our partnership with R.R. Donnelley & Sons Company (NYSE:RRD). This partnership provides a full-service XBRL translation and EDGAR filing service, which has successfully transmitted more XBRL filings with the SEC than any other provider. The solution offered by both companies has been chosen by more than 40% of all companies that have participated in both the SEC's Test and Voluntary XBRL programs.

EDGAR Online agrees with the Committee that information delivery must be provided in a manner that will make it efficient, reliable, and cost-effective for each of the relevant investor groups and should not significantly increase burdens on reporting companies. As such, EDGAR Online has the following comments to the Committee's report.

Comments on Detailed Claims in the Report:

1. **The use of two methods to tag their financial statements using XBRL:**

    The Committee report recognizes two different solutions available to the companies that have participated in the voluntary filing program today - "bolt-on" or "integrated". EDGAR Online and R.R. Donnelley provide an automated workflow solution that maps the unstructured data contained in the filing document into XBRL instance documents. These XBRL instance documents can be verified back to the source documents through a direct link back technology. Far from being a bolt-on – this is an automated approach that can be accomplished during the creation of the filing document and is verifiable to the other source documents in the filing process.   It should be noted that this automated approach supported by verification and linkage back to the source document is a "third" alternative in the market and is an essential aspect of ensuring the credibility of XBRL and the filing process.

2. **Time and Costs Involved in XBRL Tagging:**

The report states that preparers participating in the SEC's voluntary program have indicated that the initial number of hours it took to tag their financial statements ranged from 80-100 hours and that the number of hours dropped significantly for subsequent reports. We would like to state for the record that EDGAR Online and R.R. Donnelley's automated approach for creating primary financial statements in XBRL takes less than 10 hours on average to produce the initial fully tagged XBRL statement and review this statement with management and their auditors. There is minimal effort required by management and marginal incremental cost. After the first report is filed in the XBRL taxonomy, the time and cost to file drops off significantly for future filings. As we mentioned above, we already produce primary financial statements for all 12,416 publicly traded companies in the United States every quarter. We are taking steps to make sure that every public company in the United States has access to this low cost verifiable service. We are already seeing major accounting software vendors embracing XBRL which will result in even more automated offerings in the market that will continue to keep the cost of filing low.

We believe that the estimate of 80-100 hours referenced in the report is not fully representative of low cost automated offerings like ours that are already in use in the market. We also feel confident that lower cost verifiable automated solutions will be the desired approach for 90% of the reporting companies and that less than 10% will have a desire to spend 80-100 hours on this filing process.

3. **XBRL Implementation:**

a. EDGAR Online recommends that the SEC should mandate the filing of XBRL-tagged financial statements within a defined time frame after successful taxonomy testing. We also think XBRL should be a legal file format and not be limited to furnished supplement. Other countries that have mandated XBRL filings including China, Singapore, Sweden, and Spain do not differentiate between original file formats and XBRL documents. In addition, in the United States, the market is already creating numerous low cost service and software options to support the demand for assistance in filing process.

b. EDGAR Online believes that requiring companies to "File" not just "Furnish" XBRL documents will lead to higher quality financial information for investors. We did a thorough analysis of our XBRL database and the filings in the voluntary filing program and found that thousands of custom XBRL tags have been created by just 70 voluntary filers because of the lack of scrutiny of the tag choices that filers have made. If companies only need to furnish these documents there is no implied scrutiny of tag choices by management. When there is no implied scrutiny of the XBRL formatted information being provided, there will be far less rigor in the decisions that go into selecting and creating tags. As a result, the quality of the information will suffer. There will be proliferation of unchecked custom tags that will ultimately create confusion for investors and assurance professionals. To achieve the goals of transparency and ease of understanding originally set out by the Committee, there must be implied scrutiny of these XBRL documents and of the choices that companies make in their tagging decisions.

c. Under the current voluntary program the XBRL document is furnished and filed generally after the initial EDGAR filing. EDGAR Online recommends that the Committee require the XBRL filing be made at the same time as the EDGAR filing. Any timing disparity between a "filed" EDGAR document and XBRL document will lead investors to choose third party data providers which make data available within hours vs. waiting for the XBRL information to be furnished

several days / weeks later. The effect being that the XBRL data has little or no value to investors as the results have already been factored into the market.

d. EDGAR Online agrees that a phased-in mandate should first focus on XBRL tagging of the primary financial statements, and a block tagging approach for notes to the financial statements. We do not support an initial effort to individually tag each disclosure detail within the notes until the taxonomies are more thoroughly tested. This will provide a credible, tested approach to both reporting companies and service providers. Mandating too many taxonomy elements too soon will overwhelm the companies and service providers and ultimately delay implementation.

e. EDGAR Online believes that the Committee should feel confident in mandating XBRL filing at least for 1,000 companies to start. There is adequate service capacity in the market to support this mandate and the costs of filing are low enough so as not to create an undue burden. In addition, to encourage more innovation and more solution provider market competition, EDGAR Online believes that the Committee should set out an aggressive timetable for mandating XBRL filing for the other 11,416 filers. Many people in the financial community have expressed concerns that XBRL could face the same delays, complexities and cost concerns that have been raised in the implementation of Sarbanes Oxley regulations. We can provide clear evidence that fixed-price low-cost solutions are currently available to meet the needs of the market when a mandate is issued. The SEC could actually reduce the competitive force in the marketplace by delaying full implementation as it would limit the benefits to the investor community if only 500 companies participate. In short, we want to encourage the Committee to move more aggressively in its recommendation of a mandate.

4. **XBRL Assurances:**

a. As mentioned above, EDGAR Online believes strongly that XBRL documents in the final ruling should be recognized as "filed" and not as "furnished" as the current public report suggests, and, as such, will be subject to a lower level of liability (or no liability) for errors or outright manipulation. The reason stated in the current report is that "assurance on the tagging of audited financial statements in XBRL could be so costly that the business community will push back against the mandatory adoption of XBRL." EDGAR Online believes that the assumption that assurance on tagging will be, or even could be, a costly proposition is overstated. When preparing initial financial statements in XBRL we believe that there are only three items that are necessary for assurance: (i) that the company has chosen the correct taxonomy; (ii) that the company has not added extensions that are unreasonable (so as to reduce comparability of its financial statements); and (iii) that the audited financial statements have been properly mapped to the XBRL taxonomy. On this last item we believe that filing companies and assurance professionals will have to make complex judgment calls on less than 20% of the tags in their filings. Once these judgment calls are made, future filings become a simple process of assuring that changes in tag choices are duly evaluated. All of these steps for the initial filing and subsequent filings can easily be measured in hours – not days. And again, once these decisions have been for the initial filing, the workload drops off dramatically for future filings.

b. To manage the liability associated with this process for reporting companies we want to reiterate our recommendation that suggests the Committee consider limiting liability associated with absolute accuracy early on and focus on concepts such as custom tags and verifiability to other filed documents.   There are solutions in the market for filers and analysts to achieve both of these objectives. Over time better guidance and policy on assurance and tagging will be built up to a point where accuracy is definable and liability can be better calibrated.

Again, EDGAR Online is very supportive of the work that the SEC and the Committee is doing. EDGAR Online appreciates the opportunity to comment on the proposal and is willing to meet with the SEC and members of the Committee to discuss any of the topics we have highlighted above.

Sincerely,

Philip Moyer
CEO / President