

January 21, 2005

VIA ELECTRONIC MAIL

Jonathan G. Katz, Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549-0609

File no. S7-35-04 SEC Release No. 33-8496
Proposed Rule: XBRL Voluntary Financial Reporting Program on the EDGAR System

Dear Mr. Katz:

Grant Thornton applauds the SEC for its decision to embark on an evaluation of XBRL through the acceptance of XBRL tagged financial statements from filers, as outlined in the Proposed Rule and Concept Release. Grant Thornton believes that XBRL represents the most mature and effective option for tagging of business information.

Grant Thornton is confident that the adoption of XBRL for financial reporting will - through the promotion of greater transparency - benefit the markets, investors, companies and regulatory agencies. The availability of tagged financial information should support the SEC in achieving its goal of reviewing all public company financial reports and enabling the introduction of significant efficiencies going forward.

XBRL tagging of financial reports provides the ability to separate data from report and to facilitate rapid analysis of financial information, regardless of how it is presented in the body of a report, encouraging greater transparency in the markets. XBRL enables analysts and investors to compare multiple companies' performance across a number of variables, simply by selecting common XBRL-tagged information.

Impact on, and benefits to Middle-Market businesses:

We believe that the benefits of having middle-market businesses provide tagged data with their commission filings would outweigh the disadvantages.

- Middle Market businesses suffer from a lack of, or reduced coverage by analysts. We expect the adoption of XBRL to positively impact middle-market filers. Filing of tagged data will make it easier for analysts to import middle market company's business data, and perform analytics on or including the data from those companies. These filers will benefit from greater visibility by the markets, through the ability of the analyst community to quickly incorporate their results into industry or specific company analysis.

- While the initial creation of XBRL instance documents is likely to take a significant investment of time by filers, longer term, this approach should allow filers to complete their submissions more accurately and efficiently.
- These businesses should have less complex financial statements, which should make it 'easier' to tag the financial statement, resulting in fewer and less complex company specific extensions.
- We expect Sarbanes-Oxley reporting this cycle will consume virtually all the resources that would otherwise have been available to support tagging of their financial statements. In addition, many companies may choose to defer participation until financial systems developers have provided the ability to create XBRL instanced documents as a standard output option.
- The extension of the program throughout calendar 2005 will enable a greater number of middle market filers to choose to participate, potentially beginning with quarterly filings after they have completed their initial Sarbanes-Oxley reporting. We note that the FFIEC has deferred their project to have their first mandatory XBRL filing occur as part of a quarterly, instead of annual report.

Extensions:

Today, XBRL taxonomies are not robust enough to provide the majority of companies with the ability to provide tagged financial statements without resorting to company specific extensions. As the technology is used, and as the taxonomies (both general and industry specific) mature, the need for company specific extensions should be reduced.

The need for extensions results in greater training, technology and time resources for the creation of XBRL tagged financial statements. Extensions can also add complexity to the analysis of information. This will impact both the size of participating companies, and the number of participating companies.

The FFIEC, in their Call Report Modernization Project are demonstrating that it is possible to create a 'closed' taxonomy, making the use of company specific extensions a "flag" for closer observation. We expect that there will be an ongoing need for company specific extensions, however, companies using extensions should be required to provide a comprehensive discussion of and about their extensions, with explanations of the need for an extension.

As XBRL matures, and as the number of filers increases, the agreed taxonomies should evolve and grow, increasing the depth of the taxonomies, and reducing the need for company specific extensions.

Size of participants and impediments of participation:

There are two issues impacting participation – investment in XBRL and Sarbanes-Oxley.

As mentioned above, the investment in XBRL training and software combined with Sarbanes Oxley, will limit the size and number of participants in the voluntary program. We can estimate the investment required to participate, but only experience will confirm the actual investment required. At this stage, we believe that the assumed investment in training and workload to produce the first filing has been underestimated.

Subsequent filing will require significantly less effort, as the training and software and first-time effort will not be replicated. Additional work will be required whenever the company-specific extension changes (which should only occur when the company has changes in the accounting policies), when there are changes to the taxonomies (both changes to the taxonomies and changes to the XBRL specification) and when there are changes to the software

This year also sees the first reporting on Sarbanes-Oxley section 404 by filers. This is resulting in significant effort in companies across the country, and internationally. This effort is impacting the availability of resources for other initiatives, including XBRL. For this reason, the number of participants will be reduced, at least for the first round of reporting. It is our expectation that filers will become more interested in participating once they have completed both their SOX filings, and have reviewed the effectiveness of their SOX projects and filings (as they will probably be looking at lessons learned, and process improvements for subsequent reporting rounds).

We predict that significantly more companies will be interested in participating in the first quarter when they file their quarterly financial information (10Qs). We recommend that the SEC specifically invite companies to begin their participation with quarterly filings. This should not reduce the value of the filings from the perspective of SEC analysis of tagged information.

Presentation Templates:

We agree that the SEC should provide a standard template to render the XBRL information in human readable form. This will increase the use of output by the wider community. However, we also believe that participants should be able to provide their own company specific presentation template. This will allow participating companies to explore the ability of XBRL as a tool to deliver their information in a presentation format consistent with their branding and communication formats.

Quality of Disclosure

The use of information tags will not automatically ensure that the quality of disclosures increases. However, when combined with a well thought out taxonomy encompassing both financial and non-financial information, the result will be to drive improved quality;

firstly because it will more clearly identify for preparers where relevant information is required and, secondly, because it will make comparison between preparers easier and put more pressure on preparers to raise the quality of their reporting to meet the standards of more progressive competitors.

Information Appropriate for Data Tagging

Ultimately all information provided by preparers should be tagged. We believe it is particularly important for non-financial information to be included in the tagged data-set since this will facilitate easier analysis of the combined financial and non-financial information. Furthermore, tagging of filings other than the 10K will facilitate automated time-series analysis of data components.

The work being undertaken by the Enhanced Business Reporting Consortium will play a key role in further developing a generally accepted framework for non-financial information expanding on the Commission's Interpretive Release from December 2003.

Effect of Tagged Data on the quality and time required to conduct audits and tests of internal controls.

The development and introduction of XBRL GL by reporting entities will build upon the benefits of XBRL for external reporting. The ability to tag at the process and/or transaction level will enable the linkage of reported financial information to the underlying processes and transactions. Using linkbases, there may also be the ability to link specific reported financial information to the body of internal controls that provide confidence on the integrity of that tagged information.

We thank you for the opportunity to comment and would be pleased to discuss any of our comments with the SEC or its staff. Please direct your questions to Karin French, Partner in Charge of SEC-Regulatory at (703) 847-7533.

Very truly yours,

/s/Grant Thornton LLP