

January 31, 2011

Submitted via email

Mary L. Schapiro
Chairman, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Madam Chairman:

The Committee on Corporate Reporting (“CCR”) of Financial Executives International (“FEI”) appreciates the opportunity to share views on our members’ experiences with preparing quarterly filings under the SEC’s detailed XBRL tagging requirement. Overall, CCR member companies are of the view that the process of detailed note tagging may be more difficult than it needs to be and, as a result, may cause delays in the release of SEC filings to investors. As we indicated during our liaison meeting with the Staff on December 3, 2010, we have summarized key findings from a CCR survey that our member companies completed on this topic following the June 30, 2010 filings. We also have canvassed our members to determine whether the issues identified have persisted and whether their experience improved with their September 30, 2010 filings. In addition, we offer our suggestions on how the XBRL filing process might be improved and streamlined.

FEI is a leading international organization of 15,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior financial executives. CCR is a technical committee of FEI, which reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CCR and not necessarily the views of FEI or its members individually.

Member Survey

Subsequent to the June 30, 2010 XBRL filings, CCR surveyed its members to gain a better understanding of their experience with the detailed tagging of notes. This survey was discussed with members of CCR at its September 2010 meeting. At the meeting, members also discussed whether some of the difficulties companies experienced were due to the first time application of the new taxonomies and the learning curve associated with detailed XBRL tagging. As a result, we decided to defer further discussion until our December meeting when we would have the opportunity to consider these issues in the context of our September 30, 2010 filings.

Key findings from the original survey are included below. Please note, the vast majority of our member companies are December 31 year-end companies and therefore responded to the survey based on their experience detail tagging notes in a 10-Q. The completion of a 10-K requires much more effort and could result in more issues related to detailed tagging.

- Approximately 75% of our member companies rely on third-party service providers to generate the required XBRL files. In the preparation of the XBRL submissions, service providers told our members that a 48-hour window was necessary to finalize a change to a filing and generate the XBRL files. Due to the delay caused by this 48-hour window and the additional steps necessary to produce an accurate, compliant detailed tagged XBRL filing, almost half of our members indicated that they would have filed earlier had it not been for these new requirements.
- Our member companies had a significant number of extensions used in their filings, ranging anywhere from 200 to 4,500 per filing. On average, roughly 30% of the tags used were extensions. We understand that the Staff has observed cases of extensions where appropriate elements exist but filers did not identify the appropriate element, however, our experiences indicate that many extensions are still needed.
- The level of cost and resources necessary to prepare XBRL filings varied widely, from a low of 12 hours at the most simple reporting companies to 2,000 hours per quarter to detail tag the most sophisticated and complex financial statements. External implementation costs per quarter also varied significantly, from several thousand dollars at smaller companies to \$500,000 at the largest filers.
- Roughly 25% of our members engaged the services of their outside auditors to review the completed filing. Of those, roughly one-third used an agreed upon procedures report as the basis for the work that was done.
- Overall, our members found the tools available to review the XBRL files to be inadequate to identify errors in the filing. Specifically, it was noted that verifying the accuracy and compliance of XBRL instance documents using the rendering tools available did not guarantee that there were no errors in the filing (e.g., signage of particular data elements in the filing).
- Of those companies that track the usage of this information on their corporate websites, none reported more than a slight interest in this information from the investor community. The number of hits ranged between 3 and 20 hits, per quarter and some of those may have been either employees of the company or the service provider verifying the accuracy of the final XBRL data posted on the websites.

In addition to the key findings of our survey, member companies voiced the following concerns during the December 2010 meeting:

- In addition to the 48-hour window required by service providers to finalize a change to a company's filing, service providers have added a "pencils down" period of time to the front end of the filing process. While the time required varies by company and service provider, it nevertheless decreases the time allowed for preparers to review and finalize documents before the filing process begins. As a result, member companies are concerned that changes that would have been made to clarify language for users or to make corrections for less material items will be foregone and not made thereby decreasing the overall quality of filings.
- Member companies also voiced concerns over the readiness of service providers to handle the onslaught of demand coming in 2011 to meet Year-2 requirements for Tier 2 filers and Year-1

requirements for Tier 3 filers, as well as the demand coming in 2012 to meet the Year-2 requirements for Tier 3 filings.

- The lack of reliable tools available to review the XBRL files is a major concern and we believe the tools out there are not adequate to address this issue. We would recommend the SEC extend the limited liability period until better tools are available. Currently our limited liability disappears in Q2 of this year. It's disconcerting that registrants will be liable for a tagged document that they have very little ability to validate is complete and accurate.

Overall, CCR is supportive of developing a sustainable XBRL reporting framework that can be consistently and cost-effectively applied by registrants of all sizes. As such, we believe there are certain changes that could be incorporated in the current requirements that would enable companies to streamline their filing processes with only minor consequences on the timing and utility of this information for those investors that use XBRL filings in their analysis. Specifically, there are three recommendations that we encourage the SEC to consider prior to the phase-in of all filers in July 2011.

1. Allow up to 1 week between the filing of 10-Qs/10-Ks and the submission of the XBRL files, without requiring the submission of the XBRL filing to be an amended filing and subsequent event evaluation/update from the original filing. The stigma of an amended filing and the potential for it to be misunderstood is enough to cause most companies to eliminate that as an option, possibly resulting in undue hardship.
2. Allow block tagging only for non-standard/company specific notes (e.g., footnotes for litigation, acquisitions, divestitures, etc.) where the numerical information contained in the disclosure will almost always be unique to a particular filer and therefore not fit for XBRL's intended purpose. There is little, if any, comparative value in the detailed tagging of such information, however, the cost and effort required is enormous. This change would significantly reduce the number of extensions created by companies and would appropriately align XBRL effort to data that is comparable between companies.
3. Allow wholly-owned subsidiaries that qualify for the abbreviated disclosure rules to be exempt from the detailed tagging requirements. For many of the same reasons underlying the concept of reduced disclosure, XBRL detailed tagging is not necessary or cost-beneficial for these registrants.

We would welcome the opportunity to discuss these recommendations with the Commissioners or staff at their earliest convenience. Please feel free to contact Lorraine Malonza of the FEI Staff at 973.765.1047 for further information and to arrange a meeting.

Sincerely,

A handwritten signature in black ink that reads "Loretta Cangialosi". The signature is written in a cursive, flowing style.

Loretta Cangialosi
Chairman, Committee on Corporate Reporting
Financial Executives International

Cc:

Kathleen L. Casey Commissioner, U.S. Securities and Exchange Commission

Elisse B. Walter Commissioner, U.S. Securities and Exchange Commission

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David Blazzkowsky, Director, Office of Interactive Disclosure U.S. Securities and Exchange Commission

James Kroeker, Chief Accountant, U.S. Securities and Exchange Commission

Wayne Carnall, Chief Accountant, Division of Corporation Finance, U.S. Securities and Exchange Commission