Thursday, 31 July 2008

Nancy Morris, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

RE: 33-8929, INTERACTIVE DATA FOR MUTUAL FUND RISK/RETURN SUMMARY

Dear Ms. Morris:

The structural similarity of investment companies' filing documents to each other, whether those filings are prospectuses, annual or semi annual reports, means that their production already tend to be more automated than general public company filings. While the degree of automation varies greatly, document templates, workflow products, or any of several database-driven content management systems can and already do streamline the production of these documents. These technologies are more common in the investment management industry than in general corporate reporting. Doing more of the disclosure process exclusively through software without manual intervention and without printing any paper would shave at least a few basis points off of the industry's costs. Given the importance and size of the industry, that would probably do as much to benefit American investors as any other downstream benefits of improved analysis.

XBRL and its supporting technologies have improved since 2006 when the current Risk/Return summary tags were designed. Using these, the SEC can materially accelerate the industry's automation of its disclosure processes while also giving investors benefits. Section II.A., "Submission of Risk/Return Summary Information Using Interactive Data", states "We do not intend for the rules to result in mutual funds providing more, less or different disclosure for a given disclosure item depending on the format, whether ASCII, HTML or XBRL"; it subsequently asks "should we propose rules to encourage or require a format that embeds interactive data tags in HTML so that risk/return summary information can be viewed in a browser?" and Section II.D. asks whether a 15 day delay in submitting Interactive Data after submission of the traditional format is too short or too long.

I suggest that you improve the value proposition of this proposal, from production and compliance through to the end consumer: require the Interactive Data at the same time as the existing format, and require the XBRL to be built into the existing display format. XBRL can in fact be fully embedded in HTML, thus preserving the desired formatting and appearance of the original filing to an ordinary browser or to a printing application. That specification is called "Inline" XBRL. Inline XBRL allows each individual piece of text shown in a browser can be associated with a tag, guaranteeing correspondence of the displayed text with the interactive data. Inline XBRL could be experienced by an end user as behaving much like a "file attachment" in email. There are not only three vendors that have already enhanced their products to produce or consume Inline XBRL, but even an independent lone developer working with an open source XBRL package has done it. There is also precedent

for an Inline XBRL-like approach in production at the Israel Securities Authority, where filers complete an HTML form that has XBRL tags in it that the filer need never see.

The software that the fund industry now employs to produce its filings already has important parallels to this approach, with each "tag" corresponding to a database field, document template field, or chunk of boilerplate text. In other words, the industry is already automating, already produces HTML, and by requiring timely XBRL instead of slow, expensive paper, you would be *reducing* their compliance burden. There are other technical advantages of Inline XBRL concerning a filing's narratives (paragraphs, sentences, bullet lists) that contain disclosures that may apply to several different disclosure rules, and this would simplify aspects of the 2006 vintage Risk/Return tags, but the key idea remains that the SEC can best serve the public by further enabling a more standardized, software-enabled disclosure process.

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