Schedule 4 A

MERIT – A New Paradigm for Electronic Disclosure

Objective

Canada has a fortuitous opportunity to deliver on the promise of engaging, interactive, educational and effective electronic business disclosure. The Task Force commissioned IT service consultants Navantis (working with securities and regulatory veteran Dean Peloso) to examine the state of the technologies surrounding disclosure in Canada – and this paper is the result of that collaboration. The Task Force has recommended that "access equals delivery", that the current model of paper based disclosure be eliminated, and that disclosure be delivered solely electronically. This paper examines those issues and defines those goals.

The objective is to provide a roadmap for accomplishing these goals – to highlight the issues to be addressed so that disclosure could be prepared, stored, analyzed and consumed within a new networked paradigm – one that would encourage investors to use disclosure, and allow analysts deeper insight into the information provided by companies.

Disclosure today does not service these constituents as well as it should. The documents are static and impenetrably thick, with the key pieces of information buried within mountains of content - hidden in plain sight. Access to this information is not as easy as it could be, and the format and display of these documents is primarily focused on completeness for liability management reasons at the expense of clarity.

The technology exists today to make business information fully interactive, highly available, dynamically comparable, and much more useful. The reality is that this technology is not being used, or being used poorly. Interactivity will make disclosure come alive and improve investor education; structured disclosure will make the analysis and discovery of key business facts more penetrating and surgical. The goal is to describe how we can have better informed investors, advisers and analysts through the adoption of a particular technological framework.

The implementation and adoption of this technological framework will require regulatory resolve and imagination. There is a lot of heavy lifting that remains for the various stakeholder communities in order that a system like this can gain traction.

Canada has a unique opportunity to lead the world in the adoption of electronic disclosure; a great deal of work has been done worldwide defining a solid foundation to allow for it to become a reality, but in fact little of this effort has become evident to the end consumer.

> This road-map shows the business and regulatory community how Canada can step up and deliver on the promise of full electronic disclosure calculated to inform. By facilitating access and even analysis for the retail investor, information currently available only to the skilled analyst can be made more readily available to all.

Much of what follows could get bogged down in arcane technical issues, and while they are vitally important, we know they can be resolved with the right stakeholder effort. Our focus here is more on an exposition of the possible; we outline the steps needed to democratize business information. Perhaps U.S. Securities and Exchange Commission Chairman Christopher Cox said it best in a recent speech:

"Instead of talking about all the gizmos that will make markets work better, we ought to be starting with the reasons that interactive data will make the lives of investors, companies, and even regulators better. Watchmakers, after all, do not sell their products by talking about tachometers and rotors. They tell you that their watches keep perfect time. You don't have to know anything about the movements to be able to tell time. With interactive data, the parts and internal movements can be daunting, but the result is to make investing easier and better for the individual and for the market as a whole."[1]

The Last 20 Yards – What is Missing?

In the cable and telecom industries they refer to the "last 20 yards" as the main barrier to entry any competitor might have. These companies have brought their technologies to the hydro poles outside of our houses, but that infrastructure is not what defines their true competitive advantage – it's that last 20 yards from the hydro pole to inside our houses. In many ways the nascent electronic business disclosure environment can be seen like this.

Over 250 organizations and individuals have spent more than 6 years defining a solid and well vetted infrastructure for defining business concepts in an electronic way. XBRL[2] (eXtensible Business Reporting Language) represents that infrastructure – and it has had measurable success with certain types of adoption (mainly in financials disclosure) – but in reality it is still just on the hydro pole, it needs to travel that last 20 yards.

While XBRL has been excellent at providing the definitions for structured business disclosure that allow it to represent atomized business facts, and exchange them at a machine level, *what is missing is a way to re-constitute that beautifully structured information and present it back out to a consumer in a meaningful way*.[3]

MERIT is the Answer!

The last 20 yards for meaningful disclosure are to wrap tagged information back into usable and navigable document structures that people can consume and interact with. The following suggests several steps Canada could take to lead the world down that last 20 yards.

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[1]See *The Interactive Data Revolution: Improved Disclosure for Investors, Less Expensive Reporting for Companies,*
http://www.sec.gov/news/speech/2006/spch053006cc.htm

[2]See Appendix A

[3]The creators and defenders of XBRL will cry foul at this idea perhaps, as displaying and creating hierarchy and navigation around XBRL run counter to its spirit of making atomized business concepts "discoverable". Why, they might say, would you break down these concepts into their discoverable essence only to recombine them back into thick document structures? The answer is that none of the structuring gets lost in the rendering, but that humans can now consume this data in the hierarchical way they understand best. XBRL has no use for a Table of Contents, but people sure do. Additionally the more traction XBRL gets the more software opportunities will arise and be fulfilled to present this data back to end consumers.

MERIT – A Prototype Disclosure Model

MERIT (Model for Effective Regulatory Information Transfer) was conceived by the Task Force with the vision of making public company disclosure more inviting, more accessible and thereby more effective. MERIT allows us to produce a prototypical example of what disclosure could look like. In the next section we provide a road map that shows the addressable steps and issues to take a disclosure model like MERIT and make it the de-facto framework for all business communication.

MERIT describes a potential presentation of disclosure information in a web-browser. The assumption is that a consumer has asked for the disclosure information for a particular company online, from either the corporate website or from a service such as SEDAR. The information was then downloaded and presented within the browser with the MERIT navigation, and the underlying data was tagged in XBRL.

What is MERIT?

MERIT describes the contents of a disclosure document and offers a familiar navigation to those contents. MERIT is based on, and extended from, XBRL which provides a standard framework for business information through the use of meta-data[4] so that business information can be broken down into agreed upon concepts. The MERIT system would render an XBRL document instance of tagged information, making it viewable – creating the actual business documents of regulatory disclosure. XBRL provides a way to define the atomized business concepts of disclosure; MERIT combines those facts and structures them into readable documents that make them consumable.

Documents based on a system like MERIT *can* look just like their paper-based counter-parts, but they *are* so much more. The first hurdle faced by a disclosure document is to present the disclosure in a way which invites the potential reader to "dive in". MERIT does this by creating a navigation interface that will facilitate quick discovery of key business facts. Once the investor has taken the plunge, the available information is then accessible in a constructive way. The information is presented in a way which not only serves the interests of the casual reader but of the more sophisticated analyst – both the complex and the basic business facts of an enterprise will be much easier to find with such a navigation interface.

For educational purposes, MERIT also proposes to introduce a glossary for disclosure documents that are viewed over the web. The concept of this glossary is that a dictionary of commonly used terms will be defined and when disclosure information is requested through a web browser, these terms will be highlighted with dotted lines under the text. The reader can move their mouse over these terms, and a definition note will pop up (see the MERIT demonstration available online at http://www.tfmsl.ca/ for these and other proposed features of MERIT). Putting definitions inline and in context right inside business disclosure is an excellent educational opportunity.

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[4]Meta-data is data about data that can be embedded in the electronic versions of documents.

Because MERIT produced documents would have the XBRL tagging embedded in them, consumers of this information could easily compare business facts within and across companies, throughout history, and quickly find the information they need.

MERIT takes the fact based XBRL embedded in corporate information and makes it discoverable through a familiar generalized interface. All public companies disclose the same type of information, and all companies create the same type of disclosure documents. With MERIT we have introduced a top-level navigation to business information. It is considered that all disclosure facts currently available in the various documents filed could fit into such a generalized structure. MERIT's top level structure is:

- The Company

- The Business

- Risk Factors

- Management

- Financials

- Governance

MERIT provides structure to the business concepts instantiated by XBRL. The above top-level categories can be extended to second, third and fourth levels depending on the content contained in the data-set being viewed. In the example case used, we are showing the rendering of a typical annual information form.

MERIT and Multi-Media

In our MERIT example we have extended the XBRL framework to allow for the inclusion of multi-media components in disclosure. Integrating audio and video assets into disclosure documents would greatly enliven the presentation of corporate information, improving the educational component of corporate exposition, and encouraging its consumption.

Businesses regularly include multi-media as part of their corporate communications strategy - be it video assets used in road-show presentations, or audio of analyst calls, or general meetings – these assets are already created and consumed by investors and analysts. Currently this type of communication is not rigorously handled within the disclosure framework, and folding it into regular disclosure will have the added benefit of governing it under regulatory scrutiny.

If multi-media is to be included in the disclosure framework the regulatory community will need to consider prescriptive rules around the technical transfer and storage of these assets. Multi-media can be fully embedded in electronic disclosure instances (with the bits right in a document), or these documents could just point at these assets stored somewhere on a public network. If the latter case is implemented (and it makes

the most sense so as not to mandate a repository such as SEDAR to uptake the burden of transferring large media files), then further prescriptive rules will need to be considered around the version control (that the asset doesn't change) and life-cycle (that the asset is available for a set period of time).

Regardless of the regulatory framework that is pursued, including multi-media presentations in disclosure will bring corporate communications alive, and improve investor's knowledge of any company they are scrutinizing.

Dynamic Run-time Navigation

MERIT documents that are consumed in web browsers can have their second and third level navigation (or more) be created dynamically depending on the content of the document requested. In this way disparate companies with varied lines of business could be displayed in the same generalized navigation. Consumers could become used to this type of display and learn how to quickly navigate corporate disclosure.

When a document, or a set of discrete disclosure data gets requested from SEDAR (or the corporate website) it can be presented to the user with navigation like MERIT, but its lower levels of navigation can be built from the actual content of the data being presented. This will greatly aid in immediate discoverability of facts, and consumer comprehension of information.

Familiarity

Consumers will become accustomed to seeing information presented with this type of navigation, and will begin to discover more and more of the content inside of these documents. *Tables of Content* are excellent mechanisms for exposing the hierarchy of information in documents, but they do not translate well to electronic documents. Navigation systems, using agreed upon labeling concepts can become invaluable way-finding systems in electronic disclosure, aiding in consumer education and comprehension.

Discoverability & Comparability

One of the main considerations of a system like MERIT is to help make textual business facts more discoverable – and once they are easily discoverable, to make it easy to compare those facts with like facts in other enterprises. The most mature examples of XBRL adoption throughout the world deal with companies releasing financial data that is marked up in XBRL – a system like MERIT would extend that framework to include the textual content of business disclosure.

Businesses provide significant qualitative disclosure in their documents. These key statements about operational risks, competitive environments or the like could be in paragraphs anywhere in several documents – there is no way to easily find and extract them. XBRL will tag these concepts, and a system like MERIT will invite investors to take advantage of the opportunity to extract them.

Adoption of MERIT

The key to a system like MERIT being successful is that it gains traction and gets adopted by both the creators and consumers of business data. The more data that gets marked up in XBRL that is publicly available, the richer the potential for the building of comparative toolsets, and the interfaces that create and display them. As XBRL-structured historical facts get archived in a data repository (like SEDAR), and as more companies mark up their information, the ability to compare facts over time within an enterprise, and compare them outside with other entities becomes a compelling analytical foundation for the marketplace.

Much work still needs to be done. XBRL barely has a toe-hold in Canada, but that could change quickly with a few adjustments to the disclosure supply-chain. The regulatory community needs to address three areas for XBRL adoption to be accelerated:

1. **The Creation of XBRL data:** Inside the enterprise the processes that create disclosure need to be adjusted with new tools and technologies to tag corporate data in XBRL formats. The impetus for this is a clear exposition that XBRL saves time and money. Further, since the value of a company's shares (its currency) depends upon a fair and full appreciation, by the market, of its story, any system which facilitates this understanding must have corporate buy-in.

2. **The Management of XBRL data:** Outside of the enterprise entities such as SEDAR need to be augmented to receive, validate, store and transfer XBRL based data.

3. **The Presentation of XBRL data:** Stakeholders from all aspects of the disclosure supply chain need to agree on the way to present this data to consumers. MERIT provides an example of what can be done, but far more stakeholder input is required to produce a framework that addresses all of the constituents' concerns.

There is more on these three issues in what follows.

MERIT as a Prototype

MERIT is not a complete taxonomy of all disclosure, nor does it describe the storage, transfer and rendering of all aspects of corporate information – it is merely produced to show how something like MERIT could be created with full stakeholder input (we discuss the steps needed to implement full electronic disclosure in the next section).

With full stakeholder input, the generalized navigational structure (the top level navigation) could be defined to represent all the interests of the various parties. MERIT is merely an example of such navigation.

Advantages for Investors

The advantages for investors under a system like MERIT are many:

- **Fuller, and More Efficient Disclosure:** A more complete, accurate, timely and primarily accessible disclosure – presented in a way that facilitates investor review at their chosen depth. Removing the printing and delivery cycle should help to ensure that it is available sooner as well.

- **Familiarity of Presentation:** Consumers will become used to seeing corporate information structured in a familiar way – it will become more useful to them.

- **Comparability:** It will provide the framework that would allow for easy comparability within an enterprise historically (on any stated fact), and with other companies (currently or over time) of similar factual statements.

- **Investor Due Diligence:** The vast majority of companies do not have institutional or analytical coverage. This increases the burden on investors to do more of their own due diligence. A system like MERIT helps investors do this more effectively. XBRL will make it easier for analysts to broaden their company coverage, as much of the heavy lifting of analysis (finding and re-keying data) will be eased through XBRL and the toolsets that will grow up around it.

- **Investor Education:** All of the above will improve the potential for market participants to become better educated on their investment decisions and the companies they choose. The corollary is that better educated investors will make the market more efficient, and potentially improve the valuations of companies who participate in such transparent disclosure.

Advantages for Regulators

The advantages for regulators under a system like MERIT are many:

- **Automation:** Instantaneous, timely and more reliable exchange of information will be facilitated.

- **Speed:** The ability to adopt tools for monitoring and reviewing disclosure information- this should lead to faster more effective regulation – with resources focused on pre-screened and identified problem areas.

- **Error Reduction:** Eliminated manual data re-entry, lowering risks associated with transcription errors.

- **More Acute Analytical 0pportunities:** Increased ability to identify trends and burgeoning issues in the marketplace.

- **Reduced Cost of Regulation:** Lowered costs of preparing and distributing regulatory reports and related information. Lowered production costs, greater reliability and faster processing speed for more timely, accurate and informed regulatory assessments.

- **Information Re-usability:** Improved access to financial information reported by regulated entities through such a standardized format.

Advantages for Corporate Executives

The advantages for Corporate Executives under a system like MERIT are many:

- **Efficiency:** When systems are integrated with a structured framework like XBRL, human resources within the enterprise are freed to perform greater value-added tasks. The routine task can be automated, and software can be created to crunch through information and only raise alarms for human intervention when there are exceptions rather than the routine. Time and costs associated with the creation of disclosure can also be saved.

- **Reduced Cost:** Removing the cost burden associated with printing and delivery provides concrete, tangible and measurable savings to all companies. Companies will need to reinvest some of those savings into designing and creating better and more illuminating ways to present disclosure information to all stakeholders, but overall costs should still be reduced. In fact these saving should accelerate over time given the reusability of the electronic disclosure assets that are created. Cheaper, more efficient reporting process are available by enabling re-deployment of resources used for manual information preparation to areas that add value to the business, such as analysis.

- **Mitigation/Elimination of Spreadsheet Sprawl:** XBRL allows for the utilization of a central repository for all spreadsheet based financials. Enterprises who experience problems associated with disparate bits of key data being locked into particular instances of files on local machines can now feed of this repository, and everyone in the supply chain can have the latest and most accurate data.

- **Faster Turnaround:** The time between events and management decisions can be shortened by enabling managers instantly to access and re-use business information from any company system.

- **More Time:** For analysis and decision making by enabling companies to automate inefficient manual information gathering and consolidation tasks. The primary challenge with producing reports and analysis is that the data needed to produce these items is locked in documents, and the data relies on those documents to give it context. To use data locked in a document or spreadsheet, it must be manually entered, copied, and may need to be recalculated. XBRL helps to mitigate this burden.

- **Better Liability Management:** By reducing errors and confusion around regulatory reporting.

Next Steps for Electronic Disclosure

Canada has an excellent opportunity to step up and lead the world in the adoption of structured electronic business disclosure. Nascent frameworks such as XBRL have been well established and thought out, and they provide a sound foundation on which a full system could be built – Our Model for Electronic Regulatory Information Transfer is the final step needed to bring this technology to the consumer.

A standardized navigation and schema like MERIT, arrived at through consultation and agreed to by all parties will deliver this promise for Canadians. To modernize securities legislation one needs to address the needs of all of markets participants in order to be truly successful. To this end it is recommended that the regulatory community seriously consider the following steps:

Move from Disclosing to Informing

All of the changes the regulatory community may make to current business disclosure must be measured and guided by their ability to make business information easier to access and consume, more attractive and engaging, and above all more informative and educational for end consumers.

Analysts and the commercial data vendor communities are largely data-driven and they will be the early adopters of full electronic disclosure. If you build it they, and the tools to exploit it, will come. For investors disclosure needs to be more presentation driven and discoverable. Both of these constituencies require that XBRL be first test driven with these ideas in mind, to gain the proper traction.

SEDAR is shortly entering a re-tooling phase, updating its website and systems for the gathering and dissemination of business disclosure. This is a fortuitous opportunity for the regulatory community to insure that this upgrade cycle is mandated to bring about the changes needed to support XBRL and MERIT.

Pilot a MERIT Framework

The Task Force recommends that the regulatory community undertake immediately to pilot a mandated electronic disclosure program. This would involve:

- Prescribing the technology and framework for the creation of the data, assisting in providing tools and options to ease the workflow for creating XBRL based information inside the enterprise.

- Prescribing the presentation of this data to consumers. Using the MERIT example, there needs to be a creation of a taxonomy – a selection of business concepts to gather into the disclosure requirements – essentially the "document" that is involved.

  - MERIT provides an excellent starting point for describing the document content and navigation for such a pilot – it can be used as a base presentation concept to build on

- ○ The document should contain both textual and financial business disclosure, as is shown in the MERIT[5] prototype.

- ○ The taxonomy (or schema) should define the rules around the document's behaviour (such as whether fields are mandatory or not, how often the data needs to be published).

- The identification of a sector or group of companies to file – the program can be mandatory or voluntary.

- Prescribing the management of this data (see below about re-tooling SEDAR to accept these documents).

- Once a taxonomy and presentation is finalized, the methods of how these documents get rendered will need to be built. For example, SEDAR will need to be augmented with new technology (see below) to not only receive XBRL data, but be retro-fitted to allow the data to be displayed. If corporations decide to also release their disclosure on their websites then the code and logic that draws these pages must be documented and publicly available.

- Defining the length the pilot will run (at least 2 quarters).

- Defining and gathering the metrics that will be used to measure the pilot, such as cost savings or expenses for participants, anecdotal evidence about its success from everyone in the information supply chain. A main metric to consider in any pilot is penetration: Is this information being consumed?

- Funding, mandating and marketing the pilot extensively.

- Providing incentive to participate in the pilot. The SEC pilot (currently running) expedited reviews of registration statements and annual reports to companies that volunteered for their study.[6]

Encourage the Adoption of XBRL through SEDAR

Securities regulators should encourage and facilitate the use of XBRL by re-tooling the SEDAR service, introducing web-based filing and ensuring that XBRL tagged disclosure is a cornerstone of this new SEDAR system.

Once documents are "marked-up" in XBRL, they can be output in any fashion conceivable, from the minutest fact standing alone, to the large complex documents we have today such as annual reports. One of the most important things that could happen to provide traction to XBRL would be modifying SEDAR to accept that uploading of XBRL tagged disclosure.

The management of disclosure information is a key pillar to designing the whole system. The creation and presentation pillars can be developed in parallel, but a growing data-repository of XBRL information will make the prospect moving forward even more compelling. For a framework like MERIT to work, the SEDAR web

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[5]The XBRL consortium has applied most of its rendering efforts around the display of corporate financials. There is a great deal of work already done describing the creation and rendering of GAPP based accounting elements in XBRL – see http://xbrl.org/ca/fr/gaap/pfs/2004-11-20/ca-gaap-pfs-2004-11-20.htm. This work should be used in any pilot that is run.
[6]See http://www.sec.gov/news/press/2006-7.htm

server platform will also need to be enhanced so that the rendering logic (the dynamic navigation display, the glossary concept etc.) can be supported for consumers who ask for MERIT documents through their web browsers.

The task force has further recommended that the search functionality of SEDAR be greatly enhanced to allow for more detailed and granular searches of disclosure documents. The above mentioned re-tooling of SEDAR will enable this to happen – instead of just searching for document types by company, SEDAR's search engine could search the contents of all documents in its XBRL repository and provide filtering and other advanced search functionalities.

Adding XBRL structure to SEDAR filings will allow SEDAR to upgrade its search functionality significantly.

Conclusion

In terms of our future we see that the movement from a defined benefit structure to a defined contribution structure is almost complete. Most Canadians today are aware of the message that they must take more responsibility in their future and retirement – this is a global phenomenon in Western countries. The main goal of the regulatory system must be to foster and mandate a disclosure system that leads to better informed consumers, and better informed advisers of those consumers.

One of the easiest ways to help nurture this education is to bring business disclosure into the 21st century, using the tools and technologies available to us. While XBRL provides a solid foundation to build this framework on, it requires a rendering or display logic to make it come alive for end users – that is the prototype we are calling MERIT, which has been described in this chapter (and which can be viewed at http://www.tfmsl.ca/).

If the regulatory community acts decisively in these areas, as prescribed, Canada can be a world leader in true, full and transparent business disclosure for all of its stakeholders. This will result in far more efficient and fair markets, improved valuations, more foreign investment, and a robust capital framework that benefits all Canadians.

This is a real opportunity for Canada to step up.

M.E.R.I.T.

Appendix (i)

What is XBRL – an Overview?

XBRL[7] (eXtensible Business Reporting Language) is a 6 year old XML[8] based standard to define and exchange business and financial performance information. The standard is governed by an international not-for-profit consortium of approximately 250 entities, including regulators, social policy makers, software and service vendors and corporate financial officers.

XBRL provides a standard data structure that enables both analysts and investors to fully understand the financial information that they are given, to verify that it is accurate, and to obtain deeper insights into the operational environments of companies.

The mandate of the XBRL project is to foster adoption and facilitate the replacement of both paper-based and proprietary electronic financial data collection. XBRL is operating today on the ground in several European countries, and has been piloted throughout the world. Our own Toronto Stock Exchange (TSX Group) has been releasing its own disclosure documents in XBRL since early 2005.

As Mike Willis, deputy chief knowledge officer of PricewaterhouseCoopers, explained in a recent report, XBRL fills "a need for the corporate reporting supply chain to eliminate the hand-tinkered, labor-intensive processes currently used to produce reports and consume their contents."[9]

XBRL Throughout the World

North America is behind Europe and Asia in its adoption of XBRL. Stock exchanges, in China and Korea in particular, and government agencies and regulators all across Europe have implemented or are implementing XBRL-enabled systems.

In the spring of 2005 the US Securities and Exchange Commission (SEC) launched the *XBRL Voluntary Filing Program*.[10] In 2004 the US Federal Financial Institutions Examination Council (FFIEC), ran a pilot program that required quarterly call reports to be in XBRL. Closer to home, the TSX Group Inc., which runs the Toronto Stock Exchange, was the first Canadian public company and first publicly listed stock exchange in the world to publish its annual results in XBRL. The Ontario Securities Commission is currently conducting a survey[11] to gauge the interest and knowledge of XBRL.

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[7]See http://www.xbrl.org/ca/
[8]See http://www.w3.org/XML/
[9]*How XBRL Web Services Impacts Regulatory Assessments* - Mike Willis, PWC -
http://www.pwc.com/extweb/service.nsf/docid/8172C34C2E33C24C80256E580050B83B
[10]See http://www.sec.gov/rules/proposed/33-8496.htm
[11]See: http://www.osc.gov.on.ca/About/NewsReleases/2006/nr_20060629_csa-feedback-xbrl.jsp

The UK

The Inland Revenue Service and the Financial Services Authority and Company House are both developing XBRL strategies.

Spain

Spain is one of the more enthusiastic adopters of XBRL technologies with the creation of various programs at both the corporate and regulatory level. The national bank the Banco de Espana has an internal implementation. A group called SECBLAC (Spanish Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences) has created a taxonomy project with a broad range of partners to fulfill their mandate. Additionally Spain's stock exchange regulatory commission has a voluntary XBRL filing project in place (for Financial Statements).

Germany

Bundesbank and Deustche Borse have implemented in-house XBRL systems for their analytics efforts.

Belgium

The National Bank of Belgium developed an XBRL taxonomy for electronic workflow for its balance sheet deposit filing, among other programs.

Tokyo Stock Exchange

The Tokyo Stock exchange introduced voluntary filing on an experimental basis in April 2006. The exchange is promoting and encouraging the adoption of a specific XBRL framework.

US SEC

The SEC kicked off their XBRL pilot in the spring of this year, with the mandate that it will enable the participant companies to determine the benefits of using interactive data, provide feedback to the SEC, and let investors and analysts assess the program. At the writing of this document, 15 companies (including 3M, Microsoft, Pepsi and Ford) have joined the program.

SEC Chairman Christopher Cox said, "As the number of companies voluntarily submitting interactive data continues to grow, it's obviously becoming clear that making information available to investors in a more useful way is also cost effective."[12]

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[12]See http://sec.gov/news/press/2006/2006-99.htm