



April 23, 2012

The Honorable Darrell Issa
Chairman, House Oversight and Reform Committee
United States House of Representatives
Washington, DC 20515

And

The Honorable Elijah Cummings
Ranking Member, House Oversight and Reform Committee
United States House of Representatives
Washington, DC 20515

RE: The Digital Accountability and Transparency Act of 2011, H.R. 2146

Dear Chairman Issa and Ranking Member Cummings:

As a representative of the academic members of XBRL US, the nonprofit consortium for XBRL business reporting standards, I am writing in support of the Digital Accountability and Transparency (DATA) Act legislation that will mandate the use of data standards for federal spending. Data standards are a critical tool to improve the efficiency and effectiveness of communicating and analyzing the information needed to track and evaluate government programs by enabling comparability and compatibility.

I have been a long-time supporter of data standards. The need for standards generally accelerated with the growth of the Internet and the World Wide Web and the parallel growth of people's demand for instant data. In 2000, the FASB published a report that presented the issues associated with non-standard financial reporting (<http://www.fasb.org/brrp/brrp1.shtml>) in the U.S. The International Accounting Standards Committee (IASC, now IASB) published a similar report that looked at global financial reporting. I was a member of both teams that produced those reports. Comments I submitted to the SEC in 1999 along with an attached research paper can be found at <http://www.sec.gov/rules/proposed/s7999/s7999-11.pdf> regarding the need for data standards and a standard technology to store and transmit that data, which applies even more critically in 2012. Today, the amount of data transmitted, stored, and analyzed is growing exponentially. Analyzing that data can help the government identify inefficiencies and potential fraud. Only standardized, comparability and compatibility data can make that analysis possible. And, to be most effective, that analysis must extend beyond just the financial data addressed in these early reports.

eXtensible Business Reporting Language (XBRL) can go far beyond financial reporting. XBRL is a free and open standard, developed to specifically manage the reporting of financial and performance-related information for business and government data. It incorporates consistent methods to report durations, reporting entities, reporting balances, aggregation and disaggregation of amounts. Most importantly, it needs no further adaptation or development. Using XBRL to track, report, and evaluate the effectiveness of government programs will ensure that government agencies, the public and others have access to the most timely, accurate data produced in an efficient and cost-effective manner.

XBRL is uniquely suited to financial, accounting and performance-related data for business and government reporting. The ability of XBRL to enable greater standardization means that government agencies and the entities reporting to them can leverage the same software and infrastructure from agency to agency, and more importantly, they can avail themselves of the tools already available on the market today. XBRL is a low cost solution that needs no further development and can leverage existing market tools, infrastructure and expertise.

I have been teaching introductory XBRL classes for the California Society of CPAs since the SEC XBRL filings became mandated (2009). It may sound simplistic, but a key point that I tell participant to stress to their clients, which will be applicable to the Digital Accountability and Transparency Act, is the cut and paste efficiency of XBRL. Once an XBRL report is created for the first required filing, that XBRL report (called an instance document) becomes a shell or template in which future numbers can be simply updated (or cut and pasted from other source documents). In other words, the underlying structure of XBRL reports should only require minor tweaking from year to year. Eventually, filers will modify their current software such that the XBRL report will be automatically generated, which is what we are seeing with the SEC mandated financial filings.

Should you require further information, and to assist in your efforts in any way, I can be reached at 818.677.3948, glen.gray@csun.edu.

Glen L. Gray, PhD, CPA
Dept. of Accounting & Information Systems
College of Business & Economics
California State University, Northridge
18111 Nordhoff ST
Northridge, CA 91330-8372