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April 28, 2020

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Dear Ms. Countryman:

RE: Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information, File Number S7-01-20

Thank you for the opportunity to weigh in on this important issue regarding the SEC proposal on modernizing the Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information. XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical XBRL specification. XBRL is a free and open financial data standard widely used around the world for reporting by public and private companies, as well as government agencies. XBRL US members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

We agree with the goals of the proposal: to eliminate duplicative information, modernize and enhance MD&A disclosures for the benefit of investors, and simplify compliance efforts for registrants. The MD&A is an important tool for issuers to convey targeted, company-specific, risk-related, as well as forward-looking information through the lens of company management.

The proposal emphasizes a principles-based approach to the MD&A, where companies assess the materiality of risks to their specific situation. This is intended to make the reporting more relevant to the company, and valuable to investors and other data users.

While a principles-based approach gives companies flexibility in what, and how, information is reported, the broad categories of content included in the MD&A are relatively consistent from one reporting entity to the next. In fact, the SEC Division of Corporation Finance in their Financial Reporting Manual[1], provides guidance on the preparation of the MD&A, categorizing content into six broad topic areas, with a further disaggregation into sub-topics. We reviewed several recently submitted 10-Ks, and found that most companies are consistent about adhering to these high-level disclosure topics as shown in the example portion of an MD&A below. These topics are not

[1] https://www.sec.gov/files/cf-financial-reporting-manual.pdf

always as easy to find as in this example, however. In some cases, companies may report information about a single topic in more than one place within the MD&A.

Off-Balance Sheet Arrangements

We provide indemnifications of varying scope and size to certain customers against claims of intellectual property infringement made by third parties arising from the use of our products and certain other matters. Additionally, we have agreed to cover damages resulting from breaches of certain security and privacy commitments in our cloud business. In evaluating estimated losses on these obligations, we consider factors such as the degree of probability of an unfavorable outcome and our ability to make a reasonable estimate of the amount of loss. These obligations did not have a material impact on our consolidated financial statements during the periods presented.

Contractual Obligations

The following table summarizes the payments due by fiscal year for our outstanding contractual obligations as of June 30, 2019:

(In millions)	2020	2021-2022	2023-2024	Thereafter	Total
Long-term debt: (a)					
Principal payments	$ 5,518	$ 11,744	$ 8,000	$ 47,519	$ 72,781
Interest payments	2,299	4,309	3,818	29,383	39,809
Construction commitments (b)	3,443	515	0	0	3,958
Operating leases, including imputed interest (c)	1,790	3,144	2,413	3,645	10,992
Finance leases, including imputed interest (c)	797	2,008	2,165	9,872	14,842
Transition tax (d)	1,180	2,900	4,168	8,155	16,403
Purchase commitments (e)	17,478	1,185	159	339	19,161
Other long-term liabilities (f)	0	72	29	324	425
Total	$ 32,505	$ 25,877	$ 20,752	$ 99,237	$ 178,371

(a) *Refer to Note 11 – Debt of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K).*
(b) *Refer to Note 7 – Property and Equipment of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K).*
(c) *Refer to Note 15 – Leases of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K).*
(d) *Refer to Note 12 – Income Taxes of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K).*
(e) *Amounts represent purchase commitments, including open purchase orders and take-or-pay contracts that are not presented as construction commitments above.*
(f) *We have excluded long-term tax contingencies, other tax liabilities, and deferred income taxes of $14.2 billion from the amounts presented as the timing of these obligations is uncertain. We have also excluded unearned revenue and non-cash items.*

Other Planned Uses of Capital

We will continue to invest in sales, marketing, product support infrastructure, and existing and advanced areas of technology, as well as continue making acquisitions that align with our business strategy. Additions to property and equipment will continue, including new facilities, datacenters, and computer systems for research and development, sales and marketing, support, and administrative staff. We expect capital expenditures to increase in coming years to support growth in our cloud offerings. We have operating and finance leases for datacenters, corporate offices, research and development facilities, retail stores, and certain equipment. We have not engaged in any related party transactions or arrangements with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of capital resources.

Liquidity

As a result of the TCJA, we are required to pay a one-time transition tax on deferred foreign income not previously subject to U.S. income tax. Under the TCJA, the transition tax is payable interest free over eight years, with 8% due in each of the first five years, 15% in year six, 20% in year seven, and 25% in year eight. We have paid transition tax of approximately $2.0 billion, which included $1.5 billion for fiscal year 2019. The first installment of the transition tax was paid in fiscal year 2019, and the remaining transition tax of $16.4 billion is payable over the next seven years with a final payment in fiscal year 2026. During the first quarter of fiscal year 2020, we expect to pay $1.2 billion related to the second installment of the transition tax, and $3.5 billion related to the transfer of intangible properties in the fourth quarter of fiscal year 2019.

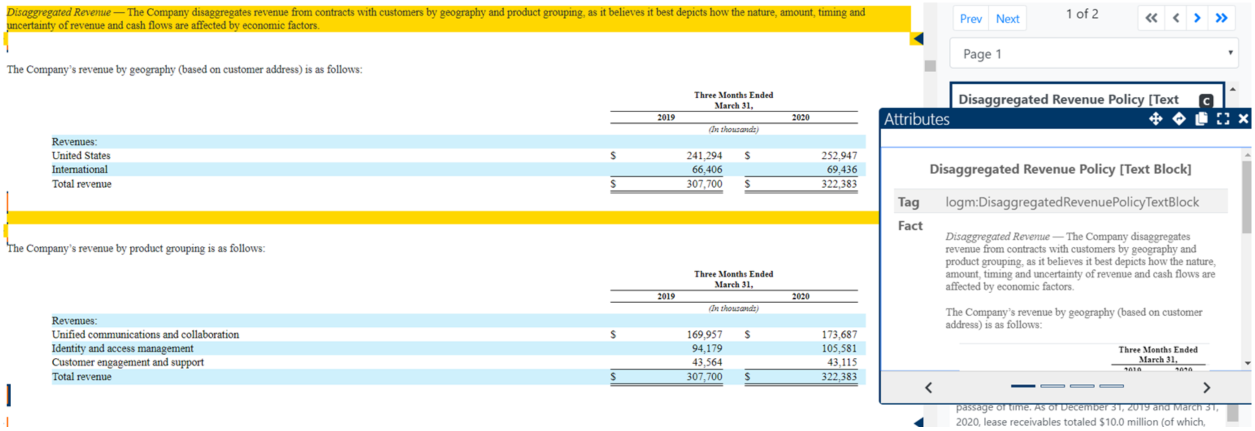
Recommendation to Block Tag the MD&A

Given the importance of the MD&A, we recommend that the Commission revise the current proposal to require companies to first, organize the data so that each section is easily identifiable, and second, to require XBRL block tagging of these topic areas to make it easier for users to consume it. The cost and effort involved would be minimal for issuers because they already have the tools and the processes to prepare XBRL-formatted data. The benefit to investors, companies conducting peer analysis, and other data users, however, would be significant, outweighing the additional effort.

The ability to easily extract text blocks of information about off-balance sheet arrangements, results of operations, or liquidity and capital resources (three of the topic areas named in the Division of Corporation Finance manual), would be useful when analyzing a single company over time; and when comparing multiple companies within the same industry.

Accessing information in the MD&A today is needlessly difficult and expensive to perform, requiring labor-intensive manual review of paper-based documents. Individuals performing this work must have sufficient skills to discern what falls into the category of "liquidity and capital" or "off balance sheet arrangements", in the event that the company did not apply clear captions to these topic areas.

Public companies today are accustomed to "block tagging" content for policy text blocks when they prepare their quarterly filings for the SEC. Text blocks that must be reported can even include text and tables combined. The example below shows how a company identified (tagged) their Disaggregated Revenue Policy (outlined in orange) using an XBRL concept from the US GAAP Financial Reporting Taxonomy. This text block contains both text and tables and can be extracted automatically because it is tagged in XBRL. That allows financial analysts to quickly review how a single company's disaggregated revenue policy may have changed over time. The automation afforded by XBRL tagging allows companies to extract disclosure data from hundreds of peer companies within seconds. This facility, applied to content in the MD&A, would enable similar comparisons and time series analysis for content in the MD&A.



To confirm our belief about the value of the MD&A, we conferred with three individuals representing the analytical and data provider community, who weighed in on the value of text block tagging of content in the MD&A:

"*idaciti is a data analytics platform built on the availability of structured (XBRL) data. We're able to offer more robust analyses and intuitive visualizations because much of the data in corporate financial statements is structured. Text data, like that found in the MD&A, can be just as important as monetary and other **quantitative** facts. We would support a move to provide structured tagging of MD&A content and know that this would be of great use in our platform." – Christine Tan, co-Founder and Chief Research Officer, idaciti*

"The ability to easily review peer data of individual disclosures like the text of various corporate policies, has proven extremely helpful to our clients which include Fortune 100 companies, hedge funds and accounting firms. Extending this ability to key sections like the MD&A would be similarly valuable." -- Pranav Ghai, co-Founder and CEO, Calcbench, financial platform for data analysts

"Structured (XBRL) data is significantly easier for investors and analysts to extract and use. That greater timeliness and usability applies to text as well as to numbers, and we urge the SEC to require XBRL tagging of the MD&A along with the financial statements. Truly modernizing the MD&A should include leveraging readily available technologies and standards to lower the cost of performing analysis." – Mohini Singh, CFA, Director of Financial Reporting Policy, CFA Institute

Sustainability and Other Risk-Related Data

Block tagging could also be applied to other kinds of data, like Environmental Social Governance (ESG) information that is becoming of greater interest to investors. Companies are more likely to include climate-related risks and sustainability measures in the MD&A or in the Risk Factors section of filings. ESG data could also be block tagged in the same fashion as other content such as Results of Operations or Off-balance Sheet Arrangements.

A number of standards organizations such as the Sustainability Accounting Standards Board (SASB)[2], and the Global Reporting Initiative (GRI)[3], among others, are actively working to develop standards to help companies consistently articulate ESG-related KPIs. Including these measures in the MD&A, with block tags to allow easy identification and extraction, would further improve the usefulness of the filing. Eventually, as standards for ESG KPIs gain widespread acceptance, the reported KPI facts themselves could also be identified with XBRL tags for greater transparency, granularity, and usability.

Separately, we also recommend that the Commission consider block tagging of the Risk Factors section of corporate filings as it would be vastly more useful if in machine-readable format so that it could be extracted and analyzed in an automated fashion.

These recommendations are further explained through responses to the individual questions posed in the Commission's proposal.

Responses to Proposal Questions

Question 2. Is the option for investors to compile selected financial information from current or prior filings an adequate substitute for the separate presentation of that information in Item 301[SELECTED FINANCIAL DATA]? Do current XBRL-tagging requirements facilitate compilation and comparison of selected financial information?

Yes. Data that has been reported in XBRL format in the financial statements or footnotes, in current or prior filings, can be used in lieu of re-entering the data in the MD&A as Selected Financial Data. The availability of this information in machine-readable (XBRL) format allows it to be easily identified and extracted. Investors and other data users can reference the data elsewhere in the filing or even in prior filings. XBRL formatting facilitates comparison between individual financial facts as well as the comparison of text information from one reporting entity to the next.

Question 12. Is the option for investors to compile supplemental financial information through searches of prior filings an adequate substitute for Item 302(a)[SUPPLEMENTAL FINANCIAL INFORMATION]? Do current XBRL tagging requirements reliably facilitate compilation and comparison of supplemental financial information? Would there be a cost to investors of compiling and/or calculating information presented in Item 302(a) from other sources and, if so, what would that cost be?

Yes. investors will be better served by accessing Supplemental Financial Information (Item 302(a)) from the financial statements where that data is already available in tagged form. This

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[2] https://www.sasb.org/

[3] https://www.globalreporting.org/Pages/default.aspx

data is easier to extract and consume; and this reduces the workload on preparers in that they can eliminate this section from the MD&A.

Question 35. Is the disclosure of information related to contractual obligations in the notes to the financial statements an adequate substitute for its separate tabular presentation in Item 303(a)(5)? Would there be any costs or challenges to investors of compiling information required in Item 303(a)(5) from other sources and, if so, what would the costs or challenges be? Do current XBRL-tagging requirements facilitate compilation and comparison of such information?

It is not entirely clear that all of the data currently contained in Item 303(a)(5) – MD&A, Tabular Disclosure of Contractual Obligations, is replicated in the footnotes to the financials and tagged in XBRL format. If it is, and if the MD&A Tabular Disclosure of Contractual Obligations simply duplicates that content, then it would be advisable to eliminate it from the MD&A and allow investors to extract it from the footnotes.

Question 57. Should we require MD&A to be structured in Inline eXtensible Business Reporting Language ("Inline XBRL") format? If so, should MD&A be structured using block tags, detail tags, or some combination of the two? How would investors and other market participants benefit from such a requirement, and what would be the costs and burdens to registrants? Would the costs and burdens be disproportionately high for any group of issuers?

The value and usability of the MD&A would increase with text block tags required for the reporting of large categories of content. As noted earlier, the Division of Corporation Finance has laid out guidance in their Financial Reporting Manual[4], for certain topical areas that could be established as text block concepts in the US GAAP Taxonomy. The new text block concepts could be added into the SEC Reporting Taxonomy for use by both US GAAP and IFRS filers. Taking into consideration the proposed elimination of Safe Harbor Provisions and Tabular Disclosure of Contractual Arrangements, along with addition of the new section on Critical Accounting Estimates, the new text block concepts could include:

- Liquidity and Capital Resources [S-K 303(a)(1) and (2)]
- Results of Operations [S-K 303(a)(3)]
- Off-balance Sheet Arrangements [S-K 303(a)(4)]
- Interim Period Requirements [S-K 303(b)]
- Critical Accounting Estimates

An additional text block concept could be added to represent ESG data as well.

Further disaggregations of these primary captions could be added for greater refinement of the MD&A. For example, the Division of Corporation Finance Reporting Manual includes further disaggregations of Liquidity and Capital Resources which could be included as text blocks for 1) Material cash requirements, 2) Sources and uses of cash, 3) Materials trends and uncertainties, 4) Debt instruments, guarantees and related covenants (in certain circumstances), and 5)

[4] https://www.sec.gov/files/cf-financial-reporting-manual.pdf

Improving liquidity and capital resources. Public companies could have the option to include the tagging of these subcategories if they so choose. That level of consistency lends itself to text block tagging. Eventually, XBRL concepts for identification of financial tables and further breakdowns of the MD&A text could be considered where they may be helpful.

To ease the transition, we recommend that initially, just these broad categories be required for reporting entities. Issuers will be able to leverage processes and tools already in place today. We do not believe there is any difference between large or small filers in terms of text block tagging. All companies are required to tag their filings in the same way today and should be subject to the same requirements. As noted earlier, public companies are accustomed to this practice of text block tagging. The US GAAP Taxonomy contains numerous text block disclosures that SEC filers include in their financial statement preparation process each quarter. The cost of adding five new concepts to be tagged would be minimal for issuers. The benefit to end users however, would be much greater.

We appreciate the opportunity to weigh in on this important topic. Please contact me with any questions. I can be reached at campbell.pryde@xbrl.us or by phone at (917) 582-6159. Regards,

Regards,

Campbell Pryde,
President and CEO