

NEWS from **REP. ED MARKEY**



United States Congress Seventh District of Massachusetts

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MARKEY APPLAUDS SEC INITIATIVE TO PUT CORPORATE FILINGS ON INTERNET

WASHINGTON -- Representative Edward J. Markey (D-MA), Ranking Democrat on the House Telecommunications and Finance Subcommittee, today applauded yesterday's announcement by SEC Chairman Arthur Levitt that the Commission had decided to assure that corporate filings continue to be made available through the Internet computer network. Currently, a pilot project funded by NSF takes corporate filings submitted to the SEC's Electronic Data Gathering and Retrieval (EDGAR) system and makes them available on the Internet, where they can be accessed electronically by the public. Funding for this project, which was initiated at Rep. Markey's urging, will expire in October.

"Yesterday's announcement by Chairman Levitt will assure that EDGAR remains on the Internet," said Rep. Markey, who explained that, "This project has proven that there is strong public interest in the mother lode of information available through EDGAR, including registration statements, and annual and periodic reports from virtually every major U.S. corporation."

Rep. Markey said, "So far, the EDGAR pilot project has helped to demonstrate new and more efficient ways of making large government databases available to the public over the information superhighway."

"It has benefitted investors seeking access to current information about companies, economists and other researchers interested in corporate trends and developments, journalists covering the business beat, and other individuals or public interest groups interested in understanding what is going on in corporate America."

"It is important to assure that this service is not shut down, forcing investors to pay expensive fees to private information vendors in order to obtain basic access to raw EDGAR filings."

Since the early 1980's, the SEC has been developing the EDGAR program to automate the filing, acceptance, dissemination, and analysis of the more than 10 million pages of disclosure information annually submitted by public companies.

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In February 1993, the SEC approved formal implementation of the EDGAR program. Eventually, all 15,000 SEC-registered companies will be required to use the system. As the EDGAR program has moved towards operational status, many potential users of the filings -- such as investors, finance professionals, journalists, researchers, and public interest groups -- began to express concerns about the potential high cost of public access to EDGAR information under the prior dissemination strategy, which relied on a private information vendor, who would sell EDGAR at a regulated wholesale price to other retail information vendors, who in turn resell the data to the public. Critics noted that this strategy failed to take advantage of the Internet's potential to serve as a conduit for broad public dissemination of EDGAR filings.

In November 1993, the National Science Foundation, at the urging of Rep. Markey, provided funding for a pilot project sponsored by the Internet Multicasting Service and the New York University's Stern School of Business to make EDGAR filings available for free over the Internet. Since the project was initiated in 1994, the public has viewed about 3.1 million corporate filings from the database, an average of about 16,700 per day.

Rep. Markey concluded, "I want to commend the National Science Foundation for their leadership in taking the initiative to provide the initial funding for this project. Over the last two years, the New York University Stern School of Business and the Internet Multicasting Service have performed an invaluable public service in investigating ways of making EDGAR data available over the Internet. This project is now ready to be taken over by the SEC, and I congratulate Chairman Levitt for his willingness to step forward to assure that EDGAR will remain in cyberspace."