CESRcons03/06

Mr. Fabrice Demarigny
Secretary-General
CESR (Committee of European Securities Regulators)
11 – 13 Avenue de Friedland
75008 Paris – France

Dear Sir, March 29th 2006

Please find hereafter Business Wire response to CESR's document on the implementation measures regarding the storage of regulatory information and filing of regulatory information.

PRELIMINARY REMARKS

Business Wire is prepared to contribute to working out a model for a European OAM (Officially Appointed Mechanism) – provided that the financial conditions thereof are transparent, clearly defined in advance, and in line with our usual corporate standards as regards ROI.

As a subsidiary of a publicly traded company, Business Wire has a fiduciary responsibility to its various stakeholders to engage in projects that promise a reasonable return on investment. Before we can make a commitment to the OAM initiative, either on a pan-European or even a national level, we need to have a clear understanding of the associated costs, as well as the anticipated return.

Unfortunately, there continues to be a lack of fundamental financial data available that will allow for a cost-analysis. More complete financial guidance regarding projected infrastructure costs is necessary before for-profit enterprises such as Business Wire can commit to a project of this magnitude.

Our current distribution platform provides for free and unrestricted access to Business Wire releases on our own multilingual web site (www.businesswire.com), as well as thousands of major portals and online services worldwide, e.g. Yahoo Finance, Google News, AOL, MSN, etc.) .

In addition, all Business Wire releases are permanently archived on all leading archival databases, including Lexis-Nexis and Factiva, for future research and reference.

Given Business Wire's universal availability across a broad range of distribution platforms – simultaneously and in real time – we would need reassurances that the OAM would not commercially interfere with our current business model, which effectively serves the needs of news consumers worldwide without limitations.

The reserves that we express in this context refer not only to the financial and logistic conditions under which a hypothetical OAM would have to operate, but also – and primarily – to the supervisory body, and the rulings under whose authority an OAM would be set up and function.

We would also like to refer you to our previous consultation document regarding the OAM, which we had the pleasure to submit to CESR on August 30th 2005.

Business Wire has repeatedly suggested that there is a basic solution which would achieve similar results and offer similar facilities to those earmarked in the underlying theoretical model of an OAM, without however presenting the financial, logistic and organizational/supervisory challenges that a formal OAM model would create.

The solution that we favour is one that would consist of creating an "umbrella" IT structure, linking the existing web sites of the main current experienced professional information providers to one single entrance point (the "one stop shop" favoured by CESR), whence every entering research or retrieval question would be re-directed to the proper channel, i.e. the web site of the information provider concerned.

Any open question that would remain as regards the aforementioned business model (e.g. the filing and granting access to voluminous documents like annual reports), would have to be considered separately and judged upon its merits in the light of the still to be determined financial context of an OAM operation, either national or EU-wide.

REPLIES THE THE QUESTIONNAIRE

Q1/ We think that it would not be realistic to expect an OAM as planned – a daunting logistic undertaking in itself – to offer differentiated services according to the category of users, like translations, specific formats, summaries, and the like. Adding such requirements would add considerable financial and organizational burdens to an operation that is already complicated to begin with.

Q2/ Regulated information can be identified and distinguished from other, potentially equally interesting information to users, by flagging it in a specific way. Using a complete OAM build-up solely for the purpose of posting exclusively regulator information might well turn into a missed opportunity, difficult to correct at a later stage. For years now, Business Wire has been creating specific sites for individual corporations where the latter can post any type of corporate information, even in multimedia form, according to their own choice. This method contributes to the one-stop-shop favoured by CESR, and by TOD, in general.

Q3/ the easy access to facilities, as proposed by CESR (viewing, downloading and printing texts) should be more than adequate.

Q4/ We prefer a network model, for reasons set out in our “preliminary remarks” above.

Q5/ The proposed network model seems like the most pragmatic and efficient model based on the available project parameters.

Q6/ Business Wire agrees that the electronic exchange of information is the only realistic solution in today’s digital age. To facilitate the free flow of information to the financial markets, and to eliminate unnecessary bottlenecks in the process, Business Wire believes that it should be incumbent upon the issuer to submit information in an electronic format, instead of fax or paper originals.

Q7/ Business Wire is capable of handling submissions in a range of formats, including such popular applications as Word and Excel.

We do not insist upon our own proprietary templates, but rather offer our members the flexibility to self-select from many “off-the-shelf” software packages.

Q8/ We agree with the minimum standards of security as laid out by CESR.

Q9/ As regards additional measures, we would like to insist on rigorous security standards to be observed by all information providers, regardless of their dimension or business model, guaranteeing an appropriate and fail-safe identification of the issuer of the information, particularly as regards Internet-based providers.

Q10/ should an electronic network of national OAM’s be created, then we would expect the inter-linking network to provide additional safeguards as regards reliability and proper identification of information sources.

Q11/ User authentication: We insist that all users should be properly authenticated, not just for security reasons, but also since we cannot see how an OAM could remain economically viable without regular financial contributions from properly identified users.

Q12/ timeline: given the proposed set-up whereby an OAM would consist of a link-up of existing web sites run by qualified professional information providers, we would expect the timeline that is being added to and included in all Business Wire regulatory and price-sensitive news to be the one and only valid timeline included in our copy.

Q13/ additional standards on time recording to be considered: for reasons stated in our reply to question 12, we do not think that any additional standards should be considered.

Q14/ We feel that the obligation to distinguish between purely regulated information and information that is available with additional value-added services would needlessly complicate in- and output procedures of an OAM, especially should the latter operate on an EU-wide scale, with different requirements varying from MS to MS.

Q15/ We would favour searching capabilities in English language, next to the local language used by the various national OAM's.

Q16/ The question of permanently available technical support to users is one that can be solved only provided that the OAM will be able to operate on an economically viable basis, in other words provided that such cost can be charges against those benefiting from them. This being said, it would be possible to provide such services, but given the large overheads that they would cause their benefit would be marginal – and the cost per users probably excessive.

Q17/ We agree with the format of information to be accessed by end users – provided that the financial basis will be laid for bearing the cost thereof.

Q18/ As regards costs and funding, we agree that an OAM should be funded by contributions made by users and/or issuers.

However, we do not feel that it is reasonable to expect private financing (advertising) to bear part of the cost of operating an OAM, since in the present business environment income thus yielded will remain both marginal and erratic, at best. There are indeed hardly any European-based online operations that have become self-supporting, let alone profitable, based on a combination of user fees and advertising income.

Thirdly, we oppose a system whereby competent authorities would be allowed to operate an OAM based on public funding, unless competing private undertakings would be granted equal financial benefits at the same time from either national or EU authorities, so as to maintain a fair competitive environment.

Q19/ Business Wire's views: We would like to congratulate CESR on the research and conceptual work that it has produced in examining and evaluating various EU-wide link-up OAM models.

However, once again, - and regretfully – we cannot express a preference for one or another model, unless we can see clearly in the economic and financial conditions under which such an OAM would be forced to operate. Pending the fulfillment of that condition, we would like to reiterate our earlier proposal for setting up a provisional OAM model whereby existing web sites of key international professional information providers would be linked to produce the "one-stop-shop" model, whereas any user – regardless of his nature or origin – would be able to input a search request and subsequently be guided through the system until he reaches the provider that has stored the requested information.

Such a model could most probably be realized at considerably lower cost than all currently underlying OAM models. However, there would still remain the prerequisite that, whatever the cost, operations of an OAM should be enabled to be run on a economically viable basis.

Rudi De Ceuster
Senior Director, European Operations
Business Wire, Rue Abbé Cuypers 3
B-1040 Brussels, Belgium
Tel. 00 32 2741 24 55 or 00 32 3457 40 02 - e-mail rudi.deceuster@scarlet.be