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Via Electronic Mail

Ms. Nancy M. Morris
Federal Advisory Committee Management Officer
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. 265-24 (Advisory Committee on Improvements to Financial Reporting)

Dear Ms. Morris:

On behalf of Medtronic, Inc., I appreciate the opportunity to provide input on the U.S. Securities and Exchange Commission ("SEC's") Progress Report of the SEC Advisory Committee on Improvements to Financial Reporting ("Committee") regarding efforts to reduce complexity and make corporate U.S. financial reports more transparent and useful to investors. Overall we are very supportive of the work and recommendations of the Committee and believe that such recommendations will contribute significantly to improving financial reporting.

Rather than comment on each of the Committee's proposals, we have categorized our comments into the following topical areas:

- Standards-setting Process Improvements
- Professional Judgment
- Tagging of Financial Information (XBRL)

Standards-setting Process Improvements

The standard setting process is lengthy and complex and over time the complexity of the issues being addressed has resulted in a process that takes too much time and effort compared to the benefits derived. The current process creates opportunities for improvement, which, if successfully executed, would streamline the standard setting process. We will comment below on the four sub-topics raised in the Committee's report on improving the Standards-setting process.

Creation of a formal Agenda Advisory Group

We support the notion of creating an Agenda Advisory Group as we believe this would provide interested parties, including investors, an opportunity to influence the topics that the FASB decides to address. Investors are the users of our financial information, so it is important that they are provided the opportunity to influence the topics on the FASB's agenda that they believe are important.

Secondly, we agree that this Agenda Advisory Group should have influence on the prioritization of the FASB's agenda. This more practical insight may help eliminate the historical experience of topics remaining on the agenda for an extended period of time. We understand how complex the environment in which we operate has become, often times as a result of preparer actions, but if a topic is relevant and worth addressing, then it should be addressed on a timely basis. Establishing and prioritizing the standard-setting agenda is the first and possibly most important step in improving the standard-setting process.

Refine procedures for issuing new standards

We support the idea of revisiting the procedural process for issuing new standards. Any revisions should have the goal of providing efficiency, by getting more input from investors, preparers and auditors prior to exposure of the documents rather than after. This could be accomplished through investor pre-reviews and expanded field testing. We, as a preparer, would like to see the field testing expanded as it seems there are issues identified in the implementation phases of most new standards that may have been identified through expanded field testing. Field testing could help eliminate the need for additional guidance that is often issued to clarify or amend standards following their issuance. Also, investors may provide insight into areas for re-evaluation prior to issuance of a final standard.

Consistent with the concept of expanded field testing, we also agree that a full cost-benefit analysis be prepared prior to issuance of a comprehensive new accounting standard and this analysis be given more weight in the decision making that goes into writing a new standard. We, as a preparer, acknowledge it is often difficult to quantify the incremental cost of implementing a new standard, but believe a more thoughtful analysis of the perceived costs and benefits would provide a useful backdrop when assessing the resources that may be necessary to implement a new standard. We agree with the idea put forth by the Committee to disclose the costs and benefits on a gross basis and how the impact of each was evaluated by the FASB. Disclosing this information would provide an appropriate amount of transparency regarding the costs and benefits factored into the conclusions reached and would allow preparers and other interested parties to comment on this during the public comment period.

The concepts of expanded field testing and comprehensive cost-benefit analysis will only add value if the FASB is willing and empowered to make changes to proposed standards prior to finalization.

Improve review processes for new standards by conducting post-adoption reviews of every significant new standard

We support the idea of having a post-adoption review of new standards, however we believe the framework around which this occurs would have to be carefully constructed. The proposal the Committee has put forth suggests a review of "every significant new standard," which may be a bit too broad in nature. We believe that a formalized policy, including identification of what factors would drive the need for a

post-adoption review (i.e. questions from preparers and auditors, interpretative guidance being issued, etc.) should be established to avoid confusion in the markets as to whether or not additional guidance will be forthcoming. We believe that this post-adoption review, if implemented, should be a standing topic of the Agenda Advisory Group to ensure the concerns of interested parties can be heard by the FASB and should be completed within a short period of time, not to exceed two fiscal periods since adoption of a new standard is required.

Additionally for registrants that take a position on an issue that is not clear in the initial standard and the position is subsequently deemed incorrect based on revised guidance, we agree with the recommendation of the Committee that the SEC would need to evaluate whether the registrant made a “good faith” effort in applying the new standard and whether the approach was reasonable. If it is deemed that the registrant acted in good faith, using a reasonable approach, then there should be no enforcement action against the registrant nor a requirement to restate the financial statements.

Improve processes to keep existing standards current and to reflect changes in the business environment by conducting periodic assessments of existing standards

We agree that a periodic reassessment should be built into the FASB’s processes. Although many of these suggestions appear to be increasing the amount of work that needs to be done, we agree with the suggestion of the Committee that ultimately these suggestions may not increase the amount of work, just the timing of when performed. We do suggest, for changes made to existing literature, that a careful cost-benefit analysis be performed when an amended/restated standard requires retrospective adoption. If the users of the financial information are going to easily adjust the restated financial statements to eliminate the impact of a revised accounting standard, we believe there is little benefit to requiring a restatement.

Professional Judgment

The Committee’s progress report proposes that the SEC adopt a judgment framework for facilitating professional accounting judgments. The goals of the proposed framework are to help address the following; (1) investor’s lack of confidence in the use of judgment, (2) preparers’ and auditors’ concern regarding whether reasonable judgments are respected, (3) lack of agreement in principle on the criteria for evaluating judgments, and (4) concern over increased use of “principles-based” standards.

As a preparer, we fully support of the SEC adopting a judgment framework. As a move towards a more principles-based approach to accounting continues, a judgment framework will increase in importance and will help support the principles-based approach. It may also provide preparers and auditors with more confidence in making professional judgments and that these judgments will be respected by regulators. Additionally, it may also allow investors to feel more comfortable that the judgments being made by preparers are reasonably sound. Although we support creating a judgment

framework, we believe that such framework should provide a set of guidelines on which judgments are based and not on an explicit set of steps or rules to be followed.

In particular we feel, as a preparer, that many of the processes included in the proposed framework are already taking place. At times, depending on the complexity, nature, and materiality of a transaction, the level of analysis, documentation and disclosure may vary. Due to this and the move towards principles-based accounting, the framework should not be construed as a specific set of rules, but instead should be viewed as a guideline for what steps should be considered when judgment is a factor in accounting decisions. Although we believe the creation of a framework could be a positive step forward, it is possible that if it is considered a specific set of rules, situations could arise where the work performed and corresponding documentation could be considered inadequate based on comparison to the framework. In fact, it is part of this professional judgment that requires preparers and auditors to determine what level of analysis and documentation is needed for a particular topic.

We also want to note that the ability to make professional judgments cannot start with this framework; rather, the framework should be incorporated into the training and development of accounting professionals (including preparers, standard setters, regulators and auditors) who make these professional judgments. Therefore, we believe there is a need in the accounting profession to train professionals and teach them how to apply professional judgment, which includes teaching them about the concepts included in the framework.

Tagging of Financial Information (XBRL)

We support the effort by the Committee to seek improvement on the delivery of financial information to all market constituencies. Over the last several months, we have evaluated the impact to our company with regard to resource investment and assurance requirements related to tagging of financial information. We will comment below on the following topics raised in the Committee's report; (1) Implementation of XBRL-Tagging of Financial Statements and the Developed Proposals, (2) Potential Benefits of XBRL, (3) Time and Cost Involved in XBRL- Tagging, and (4) Assurance.

Implementation of XBRL-tagging of financial statements

We agree with the Committee's recommendation to furnish XBRL-tagged financial statements and block-tagged footnotes. However, we do not agree with the Committee's recommendation for a phased approach to adoption. In particular, we believe the key benefit of XBRL tagged financial information will be the ability to compare financial data across an entire industry. A phased adoption will not provide the opportunity to robustly test the level of comparability until years in the future when a much broader group of publicly traded companies are included. As a result of not having comparable data, we believe that XBRL tagged information may not be widely utilized by the users of financial statements until this broad group of companies is also required to

furnish their data in XBRL format. We therefore encourage a full participation model if XBRL tagging were to be mandated.

Time and costs involved in XBRL-tagging

We agree with the Committee's 80-100 hour time estimate regarding the "bolt-on" approach for the furnishing of our financial statements in XBRL format. We agree that the financial cost of the necessary software to implement is minimal; however we estimate that a more granular tagging of the Notes to the Financial Statement would be significant with regards to human resources.

Potential benefits of XBRL

We agree with the Committee that comparability of financial statements between companies, particularly within a given industry, may benefit users of financial data; however, we believe this benefit may be minimal until there is broad adoption across related companies.

We are concerned that the number of taxonomies that are created or extended above an acceptable base level may dilute the level of comparability between companies. We would encourage the development of a minimal number of taxonomies that are generic enough in nature to cover the needs of as many companies as possible, but also provide enough detail to obtain a basic understanding of a particular line item of the financial statements. In addition, we encourage the SEC to ensure alignment between the taxonomies developed in the United States and those developed based on IFRS requirements.

We, as a preparer, do not anticipate any time reduction in our internal reporting processes related to utilizing XBRL, as we do not have any immediate plans to integrate XBRL into our internal reporting.

Assurance

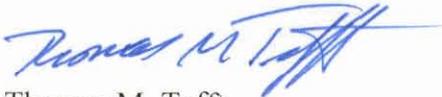
Although the Committee does not include any assurance proposal, we believe that there will not be a significant increase in resources needed for the assurance process as we assume our external auditors will be comparing XBRL generated financial statements and block-tagged footnotes to our audited financial statements and footnotes. However, given the lack of guidance by the Committee regarding assurance requirements we do not know the level of assurance that will be provided by external auditors. We believe the SEC and PCAOB should establish explicit assurance requirements before requiring mandatory XBRL-tagged filings and before requiring more granular tagging of additional financial information.

Conclusion

We urge the SEC to consider the proposals of the Committee, as well as the feedback received through this comment process.

We appreciate the opportunity to present our views on this important matter. If Medtronic can be of further assistance, please do not hesitate to contact me at (763) 505-1510.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas M. Tefft", with a long horizontal flourish extending to the right.

Thomas M. Tefft
Vice President and Corporate Controller