

HESS CORPORATION

1185 Avenue of the Americas
New York, NY 10036

JOHN P. RIELLY
Senior Vice President
and Chief Financial Officer
(212) 536-8230
(212) 536-8502 FAX

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Ms. Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

**Re: Roadmap for the Potential Use of Financial Statements Prepared in Accordance with
International Financial Reporting Standards by U.S. Issuers
Commission File No. S7-27-08**

Dear Ms. Murphy:

Hess Corporation appreciates the opportunity to comment on the Proposed Rule for the Potential Use of International Financial Reporting Standards by U.S. Issuers (the "Roadmap"). While the Corporation is supportive of an eventual change to IFRS as the single set of globally accepted accounting standards, we believe that a more measured approach through convergence is appropriate. For the reasons set forth below, we advocate the continued use of U.S. GAAP while the FASB and IASB continue their current work on converging accounting standards.

We have not provided responses to all of the questions set out by the Commission, but directed our comments to specific matters affecting the Corporation.

Convergence

While a single set of high quality accounting standards is a desirable objective, we believe the adoption approach proposed in the Roadmap is a higher cost alternative to other options available to achieve the same objective. We also have reservations about whether IFRS truly qualify at this point in time as a single set of high quality global standards. We believe that if the FASB and IASB are permitted to continue their work towards convergence, a more robust set of standards will emerge over time. With continued convergence, the best elements of each existing set of standards would survive to form the single set of high quality accounting standards. Allowing the convergence process to continue until only

minor differences exist between US GAAP and IFRS would ultimately result in a less costly adoption alternative for U.S. issuers.

We also have reservations about the readiness of regulators and users of financial statements in the United States to accept the principles-based nature of existing IFRS. Standard setting in the United States has developed away from principles-based methods because of the desire to drive precision and consistency in financial reporting. As a result, we are concerned that interpretations made by the SEC or others may not be consistent with IFRS standards applied elsewhere around the globe. In addition, there continues to be serious concern about enforcement and litigation against a U.S. issuer when a good faith judgment is applied within the guidelines of a principles-based standard, but later is questioned by a regulator or a court of law. By choosing the path of convergence, this issue will be minimized as regulators and courts will be transitioned over time to what will ultimately be determined to be a single set of high quality standards.

Therefore, the Corporation strongly recommends the convergence process continue between the FASB and IASB until it is clear that a high quality set of standards exists. We believe that such an approach would reduce costs of implementation, allow time for governance over IFRS standard setting to improve, and transition the regulatory environment in the United States to the new standards more effectively.

Proposed Roadmap to IFRS Reporting by U.S. Issuers

If the Commission does not select convergence as a preferred alternative and elects to adopt the Roadmap in its present or a similar form, we agree with the seven milestones identified in the Roadmap that should be achieved prior to the adoption of IFRS by U.S. issuers. We believe the final rule should define criteria by which the SEC will monitor these milestones and establish a greater period of time for U.S. issuers to adopt IFRS once the milestones are achieved. We believe there should be at least two calendar years between the date the milestones are achieved and the earliest fiscal period to be included in the initial set of financial statements that will be filed under IFRS.

Oil and Gas Industry Issues

The Corporation is concerned about the lack of existing IFRS guidance in the extractive industries. If the Roadmap is adopted in final form we urge the Commission to ensure that a high quality oil and gas industry standard is available. This would require the Commission and FASB to work closely with the IASB on the development of this standard. Furthermore, we believe the recently issued SEC guidance on the modernization of oil and gas reserves reporting should be conformed to any similar oil and gas reserve disclosure requirements issued by the IASB. If a dual reporting framework were to evolve, it would be costly to the oil and gas industry and confusing to users of financial statements.

Other Comments on Adoption of IFRS

➤ *Question 29 – Initial Adoption of IFRS in an annual filing*

The Roadmap limits the first filing under IFRS to an annual report on Form 10-K. We do not believe that the Commission should require the first filing to be the year-end filing. Interim information provided to the investing public throughout the same year would have to be restated from U.S. GAAP to IFRS in the 10-K. We believe the adoption of IFRS would be more meaningful to readers of financial statements if adoption took place on January 1 (for calendar-year issuers), so that each interim period and

the year-end 10-K were on the same basis. We support the alternative rule proposed by the SEC in question 33.

➤ *Question 33 – Two years of comparative data in initial filing*

The Roadmap anticipates two years of comparative information in the year of adoption. The Commission has solicited comment on whether only one year of comparative IFRS information should be required, if three years of U.S. GAAP information was also provided. If the final rule requires U.S. issuers to file their initial financial statements in Form 10-K, we believe there should only be one year of comparative IFRS information in the initial year of adoption in order to reduce the cost of implementing IFRS. If the final rule permits U.S. issuers to adopt effective January 1 (for calendar-year issuers) following the alternative rule proposed by the SEC in question 33, we agree with providing two years of comparative information in the year of adoption.

➤ *Question 34 – Alternative proposals for U.S. GAAP reconciliation*

The proposed roadmap solicits comment on whether the reconciliation of certain U.S. GAAP financial information should be a one-time requirement (Proposal A), or an ongoing annual reconciliation covering each three-year period being reported (Proposal B). The Corporation believes that after the adoption of IFRS, a requirement to provide reconciliations to U.S. GAAP would be extremely burdensome and not cost effective. The reporting entity would have to maintain two sets of accounting records in order to compile the necessary information. Proposal B is also inconsistent and more stringent than the current requirements for foreign filers. Therefore, we strongly support proposal A.

Thank you for the opportunity to provide comments on the proposed rule. We would be pleased to discuss our views with you at your convenience.

Sincerely yours,



John P. Rielly
Senior Vice President and
Chief Financial Officer