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Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
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rule-comments@sec.gov

Re: Comments on Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers, File No. 4-600

Navistar International Corporation (“Navistar , “our or “we) appreciates the opportunity to comment on the Securities and Exchange Commission’s (the “SEC or “Staff) “Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers (“Staff Paper). Navistar (NYSE: NAV), is the nation’s largest combined commercial truck, school bus and mid-range diesel engine producer.

An objective noted in the Staff Paper is that U.S. issuers would have the ability to assert compliance with both U.S. GAAP and IFRS as issued by the IASB through the Condorsement approach (“the Approach). While we understand that the ultimate goal of the Approach is the ability of a company to assert dual compliance, we believe that the approach should stop short of such assertion. We believe that a “U.S. flavor of IFRS would represent substantial progress toward a single set of high-quality, globally accepted accounting standards. Nevertheless, we believe the phased transition approach as described in the Staff Paper is appealing as it would reduce the burden on companies by providing an orderly method of transition and would retain some level of sovereignty. We set forth certain operational considerations below.

Compliance with IFRS as issued by the IASB

The Staff Paper notes that a benefit of the Approach would be to allow for adoption of more standards on a prospective basis while limiting the need for additions to IFRS 1. We concur that there are many instances in which the efforts and costs to apply certain standards retrospectively would outweigh the benefits and believe the adoption of more standards on a prospective basis than currently exempted under IFRS 1 would alleviate unnecessary time and expense. It is our understanding that modifications to IFRS 1 would be required to accommodate prospective adoption in certain cases and to accommodate certain aspects of the phased transition outlined in the Staff Paper.

Continued Cooperation during Convergence

We agree that a continued convergence of U.S. GAAP and IFRS over an extended but defined period of time would facilitate an orderly and efficient transition. However, we are concerned that a commitment for incorporation prior to completion of existing high-priority joint convergence projects may diminish the cooperative effort the FASB and IASB have displayed during the current joint projects. We would propose that any commitment be made upon the successful completion of existing high-priority joint convergence projects.

Endorsement Phase

The Staff Paper does not provide a detailed discussion of U.S. constituent involvement in the endorsement mechanism but identifies the process through which U.S. constituents will have the ability to influence the IASB's standard setting process and have our perspectives considered. We note that Category 3 standards, as defined in the Staff Paper, would not be subject to a current IASB standard setting activity; thus, U.S. constituents would not have the ability to provide our perspective through that process. Further, there are a number of standards that have previously been subject to joint projects between the FASB and the IASB. The projects have resulted in some standards that have been largely converged while retaining certain differences between U.S. GAAP and IFRS. Prior to incorporating these Category 3 standards into U.S. GAAP through the endorsement mechanism, we recommend that the FASB consider the perspectives that resulted in the differences between such U.S. GAAP and IFRS standards.

We recommend that the FASB develop a process, similar to the current FASB standard setting process, to allow U.S. constituents to be engaged and provide their perspectives during the endorsement decision process. We believe that such a process will allow the U.S. constituents'" interests to be appropriately considered prior to the incorporation of any IFRS standard into U.S. GAAP.

Endorsement Framework

The Staff Paper states that modifications to IFRS would be "rare and generally avoidable . It would be helpful for the Staff to provide clarity as to the specific framework that would be utilized to determine conditions for departure and the tolerance levels envisioned in achieving an assertion of dual compliance.

Retaining "U.S. GAAP as the Statutory Basis

The Staff Paper acknowledges that a benefit of retaining "U.S. GAAP under the Approach would be as it relates to contractual provisions that currently reference U.S. GAAP. We agree that the retention of "U.S. GAAP is preferable as it would reduce some of the complexities associated with convergence while, as acknowledged in the Staff Paper, extensive efforts would continue to be necessary to understand the full impact of interconnectedness between U.S. GAAP and non-accounting regulations, laws or existing contractual arrangements. For example, *AU Section 337C of the American Bar Association Statement of Policy Regarding Lawyers' Responses to Auditors' Request for Information*, would require modification to align with the provision recognition model under IFRS.

Ongoing FASB Role

We believe that the ongoing FASB involvement as the U.S. standard-setting body as outlined in the Approach is an appealing component of the Approach as the FASB will maintain an instrumental role in the IASB standard setting process and represent U.S. interests, for example, prior to the exposure process.

We appreciate the opportunity to participate in the process as the Staff works through this momentous topic. If requested, we would be pleased to discuss our comments with you at any time.

Sincerely,

Richard Tarapchak
VP & Corporate Controller