Robert L. Morris
Executive Vice President &
Chief Accounting Officer

July 20, 2011

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

KeyCorp
OH-01-27-1100
127 Public Square
Cleveland, Ohio 44114-1306

Tel: 216 689-7841
Fax: 216 689-4579
E-mail: robert_l_morris@keybank.com

Re: Work Plan for the Consideration of Incorporating IFRS

Dear Ms. Murphy:

We are writing in response to your invitation to comment on the Staff Paper entitled, "Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers."

KeyCorp (Key), headquartered in Cleveland, Ohio, is a bank-based financial services company that, at June 30, 2011, had assets of approximately $89 billion. We appreciate the opportunity to comment on this proposal and support the Securities and Exchange Commission's (SEC) commitment to supporting the use of high-quality financial accounting standards and ensuring comparability of financial information while considering the international convergence of accounting standards. Key takes pride in providing detailed, timely and comprehensive financial information to the investment community, and supports standards and interpretations that clearly result in reliable and relevant information that can improve investor understanding and allow for more informed decisions. Therefore, this proposed approach to convergence with international accounting standards is of great interest to Key.

Key agrees with the concept of using a single set of high-quality global accounting standards and understands the importance of developing and executing a well thought out and effective work plan for accomplishing this goal. The comments below outline our support for this proposal as it will provide for the effective control of the costs associated with convergence, maintain United States Generally Accepted Accounting Principles (U.S. GAAP) as a tool supporting International Financial Reporting Standards (IFRS), and maintain the Financial Accounting Standards Board (FASB) as a key element in the process of implementing new accounting guidance as we converge with IFRS.

Effective Cost Control

One of the primary concerns that entities have had since the announcement of possible convergence in 2002 is the cost associated with this process of converging U.S. GAAP and IFRS and implementation of the resulting standards. The approach set forth in this proposal will allow companies to better manage and control convergence costs by utilizing existing assets and human capital already in place to accomplish this transition to IFRS. This proposed approach will also allow companies to spread the transition costs over a longer period of time. Through convergence, entities can control costs by not having to hire additional staff to implement new guidance and oversee the implementation from an internal control point of view. Convergence will also allow entities to spread training costs associated with new accounting guidance issued during the transition period. Entities should also be able to better control and manage their technology costs since they should not have to maintain multiple sets of financial records. This proposed approach will provide entities with ample time and opportunity to enhance existing information systems to handle new accounting guidance as it is issued and avoid incurring unnecessary expenses related to converging internal and external financial statements from U.S. GAAP to IFRS.

The proposed approach, as outlined, provides for greater cost control as opposed to a day one, full adoption. Implementing IFRS all at once does not allow entities to make adjustments as smoothly and may cause costs to be incurred that could have otherwise been avoided. Entities will be better able to gain efficiencies from the use of best practices since under this proposed approach new accounting guidance will be implemented in stages instead of one massive adoption which will help companies to better manage and control these expenses. Entities will be better able to leverage lessons learned from the adoption of prior guidance and apply them to current adoption/implementation efforts. This proposed approach will also allow entities to incur implementation costs over a longer period of time instead of having a large, one time expense related to IFRS adoption.

Maintain Established Accounting System

The United States already has a well established and understood system of accounting that exists under U.S. GAAP. By adopting IFRS into existing U.S. GAAP, it allows the U.S. to maintain the infrastructure of our existing domestic accounting system while converging with IFRS. All existing contracts, laws, rules and regulations that reference the Accounting Standards Codification and U.S. GAAP would more than likely require fewer changes and revisions under this proposed endorsement approach as opposed to the extensive changes required if IFRS was adopted in a single convergence effort. This proposal would also benefit from the fact that U.S. GAAP would be maintained as the applicable accounting guidance on issues that are not addressed within IFRS such as certain industry specific accounting guidance. It is important to maintain this accounting guidance under the existing U.S. GAAP system until it is either determined that it is not decision useful or is replaced by accounting guidance within IFRS.

International Influence

This proposed approach would allow the U.S. to maintain its presence at the table as new accounting guidance is developed in the future. The FASB would continue to participate in the process as new IFRS accounting guidance is developed and identify any new accounting areas that may require the attention of the IASB and possibly require the development of new IFRS accounting guidance. The regulatory regime under this proposal would allow the FASB to continue to advance the interests and issues that currently face the U.S. and provide them with the opportunity to appropriately influence the development of new IFRS accounting guidance. Maintaining the FASB also allows U.S. constituents to have a domestic entity that can answer questions, give and receive constituent feedback and provide educational resources to ensure new IFRS accounting guidance is properly implemented and followed.

Also, the FASB and SEC having the power to make modifications to IFRS as they are issued and implemented should provide the U.S. with continuing input into the development of new IFRS accounting guidance. In the interest of avoiding a U.S. specific IFRS, the IASB and FASB should be strongly encouraged to work together to remedy any differences the two groups may have related to new accounting guidance being considered. It is also important that the FASB have the power to add supplemental pieces of accounting guidance to any IFRS issued if circumstances dictate.

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In conclusion, Key appreciates the opportunity to comment on the Staff Paper entitled, "Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers" and hopes that the SEC seriously considers the issues set forth in our above comments as this proposed approach is further considered.

We hope these comments are useful and positively influence any final decision. We welcome the opportunity to discuss these issues in more detail. Please feel free to contact Chuck Maimbourg, Director of SEC Reporting & Accounting Policy, at 216-689-4082 or me at 216-689-7841.

Sincerely,

Robert L. Morris

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Chief Accounting Officer