

July 8, 2011

The Honorable Mary L. Schapiro, Chairman
U.S. Securities Exchange Commission
100 F Street, N.E.
Washington, D.C.20549-1090

Re: SEC Roadmap to IFRS Convergence

Dear Chairman Schapiro:

We have come together as a representative group of registrants to submit for consideration our observations regarding the importance of determining when and how the current financial reporting system for U.S. issuers should transition to a system incorporating International Financial Reporting Standards ("IFRS"). We believe it is critical that the Securities and Exchange Commission ("SEC") announce as soon as possible in 2011 a firm commitment to incorporate IFRS and provide a date at which U.S. registrants may file voluntarily using IFRS-compliant financial statements in their SEC filings.

We encourage the SEC to consider the following three principles while deliberating its commitment to incorporate IFRS in the U.S.:

1. Global companies need a global language
2. U.S. registrants need certainty
3. Registrants need flexibility to manage the change

We respectfully submit our views in the Attachment and request the opportunity to meet with you and other members of the Commission to discuss our mutual interest in establishing high-quality international financial reporting standards. We also would like to address questions the Commission might have with respect to the need for certainty and how we might maximize the benefits and minimize the costs associated with transitioning to a system that incorporates IFRS into the U.S. financial reporting system. If you have any questions, please feel free to call Susan Callahan (313) 845-2211.

Sincerely,

Confirmed Signatories of the Multi-stakeholder Letter

John P. Stott, Vice President & Controller, Archer-Daniels-Midland Company
John A. Park, Corporate Controller, Bank of New York Mellon Corporation
Bonnie S. Catlin, Chief Technical Accounting Officer, Chrysler Group LLC
Alan R. Andrews, Vice President and Corporate Controller, Kellogg Company
Susan Callahan, Global Accounting Policy Manager, Ford Motor Company
Jane Carnarvon, VP Accounting, Ford Motor Credit Company LLC
Chris Kenny, VP Controller, United Continental Holdings, Inc.

cc: Kathleen L. Casey, Commissioner
Elisse B. Walter, Commissioner
Luis A. Aquilar, Commissioner
Troy A. Paredes, Commissioner
Paul A. Beswick, Deputy Chief Accountant



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Global companies need a global language

Commissioner Kathleen Casey commented at the February 24, 2010 meeting to approve the Statement and Work Plan in Support of Convergence and Global Accounting Standards:

The Commission's Statement today sends a strong signal of the Commission's support for the goal of transitioning the U.S. capital markets to a single set of high-quality globally accepted accounting standards.

Commissioner Casey added, the Statement "recognizes IFRS as the accounting standards best positioned to serve the role as the single set of high-quality globally accepted accounting standards for use by U.S. issuers."

In June 2010, global leaders participating in the Toronto G-20 summit also re-emphasized the importance of achieving a single set of high-quality global accounting standards. As multinational entities, we can attest to the importance of this goal.

Companies such as ours operate on every continent and in hundreds of foreign countries. Many of us issue debt and/or equity in non-U.S. markets. As such, our operations are significantly integrated into the world's capital markets.

In today's global economy, companies such as ours often are involved in business transactions that must be accounted for and reported using multiple methods as a result of differences between the requirements of local and U.S. GAAP. Having to account for a single business transaction using multiple accounting methods drives unnecessary cost, including systems and process complexity, which can ultimately put U.S. registrants at a competitive disadvantage in the global marketplace. In certain instances, parties to a business transaction may even find that conflicting interests during negotiations are driven exclusively by differences in financial statement outcome under local and U.S. GAAP.

As multinational companies, we also engage in cross-border strategic funding transactions. A number of companies have faced limitations on access to global transactions or funding opportunities based solely on the inability to produce carve-out financial statements for foreign affiliates under a universally accepted set of financial reporting standards. We believe a common platform such as IFRS is critical to enhancing capital formation that will allow us to compete most effectively in a global economy. A global accounting language will facilitate our ability to effectively participate in the globalization of capital markets, and enhance our ability to access the cross-border flow of funds. Furthermore, we believe the adoption of a universally-accepted financial reporting language is an important step in providing a common platform for investors to more easily compare the financial health and operations of our companies.

U.S. registrants need certainty

A statement from the SEC by year-end 2011 regarding the date at which it will begin accepting IFRS-compliant financial statements from U.S. registrants is necessary to enable companies to proceed with planning for the transition in an orderly and cost-efficient manner consistent with the SEC's mission of facilitating efficient capital formation. Recent surveys indicate that chief financial officers have identified convergence with IFRS as one of the most pressing near-term accounting issues. Yet, many have not even begun to prepare for convergence, while others indicate they are in the process of preparing but are not yet ready largely due to the difficulty of developing and executing an implementation plan without a defined transition method and set implementation date. Uncertainty is a significant cause for delay, and delay will only increase the cost of implementation.

The cost for each company will be dependent on the nature of its organization and operations, the degree of change required, and the timing and method of transition. Until the SEC provides a firm commitment to incorporate IFRS into the U.S. financial reporting system and a date at which it will accept financial statements of U.S. registrants prepared using IFRS, it will be impractical for companies to develop appropriate implementation plans. Delay in a decision by the SEC simply creates an additional cost burden, particularly if companies have to duplicate efforts to comply first with anticipated changes in U.S. generally accepted accounting principles ("GAAP"), then with changes in jurisdictional guidance and then again for a final transition to IFRS. We can manage transition costs most effectively if the SEC provides certainty in 2011. Certainty will enable us to develop detailed implementation plans, negotiate agreements, design systems architecture and establish processes and procedures *once* in a cost efficient and resource effective manner.

A statement of certainty regarding IFRS with sufficient lead-time for issuers to prepare for transition will encourage companies to begin working in earnest on the transition to IFRS, and provide the necessary incentive for companies and their many stakeholders (including contract counterparties, rating agencies, government agencies, employees, etc.) to work collaboratively on the changes required to accommodate IFRS. A firm commitment by the SEC pertaining to the transition to IFRS, including the establishment of a date certain, will allow companies like ours to finalize a timeline for implementation, commit appropriate resources, and begin to address the many impacts IFRS adoption will have on our business, people, systems and processes.

Registrants need flexibility to manage the change

While we believe it is essential to firmly commit to a transition to IFRS, we encourage the SEC to establish a transition approach that will provide flexibility, permit an orderly transition to IFRS and avoid imposition of an immediate "one size fits all" adoption deadline. An immediate adoption deadline or overly aggressive transition method would overlook the fact that registrants have varying degrees of global presence and complexity of operations, as well as resources to dedicate to adopting new standards. As such, we encourage the SEC to provide a level of flexibility in transitioning to IFRS that will allow companies to manage the change in the most efficient manner.

In this regard, we recognize the SEC Staff Paper issued on May 26, 2011 acknowledges several approaches used by other jurisdictions in transitioning to IFRS, and proposes for consideration a staged or phased replacement of existing U.S. GAAP through the incorporation of IFRS into U.S. GAAP over a period of five to seven years. We agree that this would accommodate the needs of many companies.

Understanding that the ultimate transition plan may be a phased approach accomplished through incorporation of IFRS into U.S. GAAP as opposed to a direct conversion to IFRS, we continue to urge the SEC to announce in 2011 a date at which it will accept IFRS-prepared financial statements submitted by U.S. registrants who wish to adopt IFRS voluntarily before the completion of any proposed phased transition approach. Allowing for voluntary adoption of IFRS prior to completion of any phased transition plan would allow companies that are presently undertaking major financial, IT or process transformation efforts to maximize efficiencies by simultaneously incorporating IFRS-compliant contract provisions, systems software and accounting processes. In making this request, we also note that the SEC currently accepts IFRS-compliant financial statements by foreign filers in the submission of Form 20-F reports; we ask that U.S. registrants be provided the same opportunity to file IFRS-compliant financial statements as of a date certain. Furthermore, we recognize that an approach to incorporate IFRS into U.S. GAAP, as outlined in the SEC Staff Paper issued on May 26, 2011, while still permitting companies to elect to convert to IFRS may ultimately result in reporting differences between companies should U.S. GAAP not achieve 100% alignment with IFRS through incorporation, we believe any such differences can be appropriately disclosed in the financial statements. Permitting companies more than one option will provide the most flexibility for companies to manage the costs of transitioning to a system that incorporates IFRS into the financial reporting system.

We commend the SEC for its outreach efforts as the Staff seeks to understand the full implications of transitioning to a financial reporting system that incorporates IFRS into the U.S. financial reporting system. We emphasize the need for a global financial reporting language and support a transition to IFRS. We believe that the introduction of one global financial reporting standard will provide global enterprises with significant tangible benefits, including the reduction of conflicting accounting standards, simplification of business operations, elimination of multiple instances of operating systems, and more efficient leveraging of resources, while standardizing internal controls and enhancing communications with investors.

We also acknowledge the struggles involved with determining how best to transition to a system incorporating IFRS, and we recognize that some companies with exclusively U.S. operations may find the cost of conversion to IFRS outweigh the benefits. We believe the SEC will best accommodate the needs of a diverse U.S. market by providing flexibility in the transition. For example, a staged transition approach with an optional accelerated path for registrants who choose to adopt voluntarily and are prepared to submit periodic filings using IFRS (including appropriate disclosures regarding the change) may provide the most flexibility for companies. Such an approach would allow registrants to transition to global financial reporting standards without jeopardizing financial reporting integrity or incurring excessive costs.