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Mr. James L. Kroeker
Chief Accountant
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

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

Dear Mr. Kroeker:

We appreciate the opportunity to comment on the work plan for the consideration of incorporating International Financial Reporting Standards (IFRS) into the U.S. financial reporting system as described in the staff paper dated May 26, 2011 entitled "Exploring a Possible Method of Incorporation" (Staff Paper).

FirstEnergy Corp. is a diversified energy company headquartered in Akron, Ohio serving both regulated and competitive markets. Its ten electric distribution companies serve approximately six million customers in the Midwest and Mid-Atlantic regions of the United States and comprise the nation's largest investor-owned electric system on that basis. FirstEnergy owns and operates a power generation fleet with a total capacity of approximately 23,000 megawatts, primarily consisting of non-emitting nuclear, scrubbed baseload coal, natural gas, pumped-storage hydro and other renewables-based power generating stations.

If the U.S. Securities and Exchange Commission (Commission) were to decide that the incorporation of IFRS into the U.S. financial reporting system is in the best interest of U.S. investors, we support the convergence/endorsement approach (Framework Approach) described in the Staff Paper. We believe that the phased-in transition approach described in the Staff Paper would facilitate the deliberate and thoughtful incorporation of IFRS into U.S. GAAP on the part of the standard setting bodies and on the part of reporting entities as convergence between IFRS and U.S. GAAP continues. If IFRS is phased in over a number of years, we believe that a prospective application approach should be permitted rather than a required retrospective application of IFRS standards that would likely result in multiple retrospective restatements over the phase-in period.

We support continued convergence of IFRS and U.S. GAAP to maximize comparability but believe that the Framework Approach to the incorporation of IFRS should anticipate that it is likely that U.S. specific accounting guidance that differs from IFRS will be warranted in situations deemed appropriate by the FASB or the Commission.

For example, IFRS does not provide for specific guidance in the area of accounting by rate regulated entities. Registrants in our industry follow FASB Accounting Standards Codification Section 980, "Regulated Operations" (ASC 980) to appropriately align the accounting for certain aspects of rate-regulated operations with the underlying economics of these operations. We understand that IFRS does not currently recognize the accounting approach in accordance with ASC 980, and we believe that its absence would result in inappropriate accounting and financial reporting in our industry. If IFRS is not modified to permit this type of regulated accounting, we believe that it is important for the FASB and the Commission to continue to have the ability to maintain or develop U.S. specific accounting guidance.

We agree that it is important for the United States to continue to have an active role in the international accounting arena to assist in the development and promotion of high-quality, globally accepted accounting standards; to be proactive in identifying new and emerging financial reporting issues; and to ensure that U.S. interests are suitably addressed in the development of those standards. We further agree that the FASB is the existing body best equipped to fulfill this role, through participation in the IASB's standard-setting process as described in the Staff Paper. The Commission and Staff would also provide their perspectives to the IASB on accounting and reporting matters as issues arise and new accounting standards are promulgated and the Commission would continue to maintain its oversight over the FASB as the designated U.S. national standard setter.

As the Staff Paper points out, despite the objective that U.S. GAAP be consistent with IFRS and the goal that IFRS guidance be developed collaboratively, there may be situations where the FASB concludes that IFRS guidance would not result in accounting and financial reporting consistent with the needs of the U.S. Capital Markets. Similarly, the incorporation of IFRS into U.S. GAAP would not affect the Commission's responsibility to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation through its regulation, nor dilute the Commission's ultimate authority under the federal securities laws to prescribe accounting principles and standards.

Because of the many similarities between the objectives and principles of U.S. GAAP and IFRS, we believe that, over time, it may be possible to replace much of U.S. GAAP through the incorporation of IFRS into U.S. GAAP pursuant to an orderly transition plan as proposed in the Staff Paper.

We are not convinced, however, that the complete replacement of U.S. GAAP through the incorporation of IFRS as contemplated in the Framework Approach is feasible or desirable for the reasons described above. We expect that there will be a continuing need to modify IFRS to meet U.S. specific issues and concerns, perhaps on a more than rare occurrence, especially if it were perceived that the IASB did not appropriately consider or fully appreciate the input, thoughts and ideas of the FASB, the Commission and U.S. constituents during its deliberations in the promulgation of an international accounting standard.

In summary, if the Commission were to determine that IFRS should be incorporated into the U.S. financial reporting system, we believe that the Framework Approach described in the Staff Paper is a reasonable approach to accomplish this objective -- with the understanding that the FASB and the Commission should maintain the ability to establish specific U.S. GAAP that differs from, or expands upon, IFRS when deemed appropriate and in the best interests of investors and financial statement users. We also support the prospective implementation of IFRS standards adopted under the Framework Approach. Finally, we believe that it is important that the Commission continue to require the accounting prescribed in ASC 980 for rate regulated enterprises.

Sincerely,

Harry L. Wagner