

July 28, 2011

Mr. James L. Kroeker, Chief Accountant
Office of the Chief Accountant
U.S. Securities & Exchange Commission
100 F Street, NE
Washington DC 20549-0213

Re: SEC Staff Paper May 26, 2011 re: Work Plan for the Consideration of Incorporating International Financial Reporting Standards (IFRS) into the Financial Reporting System for U.S. Issuers – Exploring a Possible Method of Incorporation

Dear Mr. Kroeker,

We appreciate the opportunity to provide our comments on the SEC Staff Paper relating to the incorporation of IFRS into U.S. GAAP. Praxair, Inc. is a Fortune 300 U.S.-based public company that produces, sells and distributes atmospheric, process and specialty gases, and high-performance surface coatings with 2010 sales of \$10 billion. Approximately 60% of our sales are non-U.S. and we operate in over 40 countries.

We support the SEC's efforts to work toward achieving a single set of high-quality, globally accepted accounting standards. However, unlike many other jurisdictions that have adopted/are adopting IFRS, U.S. GAAP is already high-quality and is globally accepted. In fact, in many areas, we believe that U.S. GAAP is further developed than IFRS. Accordingly, there is less urgency and almost no immediate benefit for U.S. companies to change to IFRS other than to reach a goal of working toward a global set of accounting standards and whatever benefits that may bring (i.e., there is no "burning platform" for immediate change). Because we are less familiar with the IASB, we are concerned with its independence, due process, and ability to establish an effective continuous dialogue and feedback with U.S. constituents. The FASB has a proven track record in this regard in the United States. Therefore, we agree with the SEC that the U.S. focus should be on "ways to accomplish the broad objective of pursuing a single set of high-quality, globally accepted accounting standards **while minimizing cost, effort and other transition obstacles.**" **This does not mean simply adopting IFRS in the United States.**

From a Praxair perspective, we do not have significant problems with the current U.S. GAAP accounting model. It is not clear to us that the adoption of or convergence toward IFRS would improve the usefulness of our financial statements. However, we do know that a shift towards IFRS clearly would require considerable extra internal and external resources (costs) and education – for both the initial transition and ongoing reporting (especially disclosures). The

goal of the standard setters should generally be to choose the best standards from U.S. GAAP and IFRS without regard to authorship and not to start over. In this regard, we are very concerned with some of the proposed changes as part of the FASB/IASB's "convergence process" because, in our opinion, they do not meet a cost/benefit or, in many cases, a usefulness test (especially as it relates to lease accounting, revenue recognition disclosures and financial statement presentation in general). Also, we are concerned that IFRS generally requires too many unnecessary detailed disclosures (e.g., roll-forwards and other supplemental information). If such disclosures are forced on U.S. companies as part of a convergence or adoption process, it will impose significant and unnecessary burdens and costs (especially as it relates to IT systems and disclosure overload), with questionable benefit to users of financial statements. Additionally, the size of financial statements prepared under IFRS (measured simply by number of pages) is significantly larger than similar financial statements prepared under U.S. GAAP. We are not sure if this is progress? Finally, we are not convinced that investors and other users of financial statements (e.g., financial institutions) are greatly concerned with the differences between U.S. GAAP and IFRS such that they are willing to have entities spend hundreds of millions of dollars to make the necessary changes?

Having said that, we do generally support the framework set forth in the SEC Staff Paper as a practical way to move toward the goal of achieving a single set of high-quality, globally accepted accounting standards. We do believe this is a positive step forward. As we understand it, the proposed framework allows for a gradual convergence of U.S. GAAP and IFRS, **but only if the FASB concludes that it is appropriate**, and attempts to minimize the creation of new differences via the proposed ongoing Endorsement Process. As stated above, we do not believe there is a "burning platform" that requires immediate changes to US GAAP (i.e., a "big bang" approach is not warranted). Instead, the goal should be to gradually converge U.S. GAAP and IFRS, which likely means making changes to both. If done right, the proposed framework allows for this to happen in an organized and well thought out approach.

Finally, we believe it is critical that a U.S. national standard-setter (e.g., FASB) maintain its responsibility for U.S. GAAP. This is accomplished in the staff's framework by the FASB/SEC's initial Convergence Process and ongoing Endorsement Process.

Other Matters

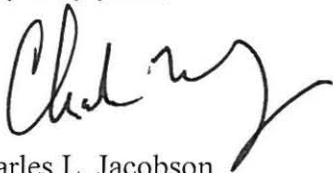
1. We believe that U.S. companies should have an option to adopt IFRS if they want to, **but should not be required to do so**. If elected, companies could follow the IFRS 1 approach used in other jurisdictions, including the European Union (EU). The issue will become less and less significant over time as U.S. GAAP and IFRS converge.
2. We believe the EITF (or a similar organization) should also continue in its current role to deal with U.S. practice issues on a timely basis. This guidance could then become part of U.S. GAAP and supplement the basic standards. Also, it should be possible for the FASB to undertake the development of new pronouncements if it is needed for U.S. reporting - and if the IASB chooses not to address the matter. Finally, we assume that the ongoing FASB/SEC convergence/endorsement process will include all existing IFRS and IFRIC pronouncements.

3. In its deliberations, we believe the FASB should consider more prospective adoption of accounting standards rather than retrospective application. This would speed up the implementation process, and in a short period of time (e.g., a few years) all periods presented would naturally be presented consistently. Entities would be able to appropriately deal with comparability in supplemental disclosures. We believe this approach has worked well with other topics (e.g., Stock-Based Compensation), and would eliminate the need for companies to maintain a parallel set of books for multiple years. Instead, entities can move forward with the new accounting rules sooner. This approach may also be appropriate for certain current convergence topics (e.g., leases).

4. On an ongoing basis, the FASB should make every effort to endorse IFRS standards or to convince the IASB to modify IFRS so that it is acceptable (i.e., minimize differences as much as possible). We hope that this will be an acceptable approach to the IASB. In situations where there is a disagreement between the two standard setters which cannot be resolved (which, based on recent history, is likely), we believe that the FASB should be able to establish a different U.S. GAAP (i.e., create a U.S. “flavor” of IFRS when necessary). However, to the extent that convergence is not achieved, the potential for businesses to realize potential synergies that may be possible from the use of a single set of global standards will be minimized. Such potential synergies relate primarily to the ability for multi-national entities to use a single set of accounting standards worldwide and, therefore, eliminate the need to maintain multiple sets of books to satisfy local statutory, U.S., and other reporting requirements.

Thank you for the opportunity to express our comments. We would be pleased to discuss our views with members of the Commission or with its staff. Please contact me at 203-837-2158 (chuck_jacobson@praxair.com) or Liz Hirsch (VP & Controller 203-837-2354, liz_hirsch@praxair.com) if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Chuck", with a stylized flourish extending to the right.

Charles L. Jacobson
Assistant Controller and Chief Accountant