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July 29, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: File Reference No. 4600

Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers Exploring a Possible Method of Incorporation

Dear Ms. Murphy:

SanDisk Corporation appreciates the opportunity to respond to the U.S. Securities and Exchange Commission Staff paper Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers – Exploring a Possible Method of Incorporation.

SanDisk, a global technology company, is the inventor and largest supplier of NAND flash storage card products. Our products are used in a variety of large markets, and we distribute our products globally through retail and original equipment manufacturer channels. We are an S&P and Fortune 500 company (NASDAQ:SNDK).

There are broad implications to investors and issuers related to the potential incorporation of International Financial Reporting Standards (IFRS) into the financial reporting system in the U.S, including potential implication on contractual arrangements, corporate governance, as well as the overall burden on cost and resources for all issuers. We believe a flexible and sufficient transition tailored to the needs of U.S. constituents is needed to allow U.S. issuers time to understand the impact of adopting IFRS and to take necessary actions as part of their transition to IFRS, if the Commission determines to incorporate IFRS in the U.S. financial reporting system. Our response primarily focuses on what process will make the most sense given all the challenges to potentially convert to IFRS.

We believe, as noted in the Staff paper, the proposed possible method of incorporation may allow for a more flexible transition strategy that can be better tailored and more responsive to the needs of U.S. constituents than other potential mechanisms for incorporation. We analogize this upcoming decision to deciding whether to take a band-aid off all at once or slowly. Either way may be a painful experience, but taking a band-aid off quickly and too soon may lead to future problems that otherwise could have been avoided. To this end, we agree with the SEC that there should be an orderly transition to IFRS that avoids a big bang approach and avoids ripping off the proverbial band aid. While we note that some large companies may prefer a big bang approach, we believe that the majority of registrants, including ourselves, would prefer a transition that would include two to three adoption windows within a five to seven year plan. As it relates to the proposed approach, we have the following observations and comments:

Retrospective vs. Prospective Adoption. First, there appears to be a current view from the FASB that preparers and users of financial statements prefer retrospective adoption for new accounting standards. As a preparer, one of the most difficult tasks is the retrospective adoption of complex accounting standards that require estimates, long look-back periods or estimates based upon prior conditions that exclude the use of hindsight. Retrospective adoption does not just impact the accounting for that particular issue, but also typically impacts income taxes, deferred income taxes and valuation allowances, earnings per share, comprehensive income, footnotes, MD&A and other disclosures. Furthermore, if a registrant revises its financial statements and needs to conduct a public offering, there is a SEC requirement to file the historical revised financial information on a Form 8-K prior to the offering and prior to when the revised financial statement would have been required under Form 10-K. There is also the cost for a registrant to have the same results audited twice, which depending on the type of accounting standard (such as revenue recognition, leases or derivatives) could be substantial, up to 25-40% of the annual fee. For all these reasons, our preference in a transition to IFRS is to limit the adoption of retrospective standards (including MoU projects) to a one-time event and to limit the number of new standards that will require retroactive adoption. Retroactively revising financial statements every two years in a potential five to seven year transition period will be difficult for users to follow and almost impossible for preparers to track, adjust and more importantly cost-effectively implement. The SEC needs to be proactive, pragmatic and influential in such a transition plan and to not just treat this as a theoretical exercise, where in a perfect world, everything would be retroactively revised.

Education on IFRS. As noted in the paper, by providing a gradual implementation over a period of five to seven years, this framework could avoid the cost of a "big-bang" approach as well as increase the opportunities for successful transition by decreasing the severity of the IFRS learning curve. This staggered transition could allow for a more expansive educational process to develop to the benefit of all U.S. constituents including investors, board members, issuers and auditors. Ultimately, the measure of success of any approach to incorporation would focus on whether U.S. issuers have properly implemented IFRS and whether U.S. constituents were provided meaningful and understandable financial information. Limiting the scope of IFRSs to be implemented and not including new IFRS standards during the five to seven year implementation period would help lessen the learning curve required.

Transition Frequency. Initially, we were going to recommend that if a phased approach were adopted, it would be critical to understand the interdependencies between different IFRSs and ASC Topics and carefully manage transition where interdependencies exist to avoid confusion and minimize the implementation effort. However, after more consideration, we believe interdependencies exist at all levels of accounting and any transition plan will bring unintended consequences. One simple example used in the SEC proposal was considering interdependencies within accounting for fixed assets, but transactions can and typically are more complicated, such as giving a stock option or warrant to a fixed asset vendor in lieu of cash, outstanding debt requiring capitalization of interest costs, tax timing implications of the depreciation and the unlikely situation of the construction of an asset in a hyperinflationary economy. Our point is that any transition plan will be difficult, but there are ways to lessen the challenges including limiting retrospective adoption of most new standards, limiting or delaying the adoption of new IFRS standards during the five to seven year transition window and ensuring the MoU projects are part of the transition plan. In considering how many times U.S. registrants would adopt IFRS in a five to seven year period, we think three adoption windows would be the maximum, with only one of the three being a retroactive adoption window with the other two adoption windows prospective only. Annual adoption windows of new IFRS would be, in our estimation, too difficult to manage.

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We thank you for providing us with the opportunity to provide our comments on the work plan for the consideration of incorporating IFRS into the financial reporting system for U.S. issuers and you can reach me directly at (408) 801-1856 to discuss these issues further.

Sincerely,

Donald F. Robertson, Jr.
Vice President and Chief Accounting Officer
SanDisk Corporation

CC: Judy Bruner, Executive Vice President, Administration and Chief Financial Officer