



Ford Motor Company

World Headquarters
One American Road
Dearborn, MI 48126

October 18, 2010

Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street NE Washington, DC

VIA EMAIL: rule-comments@sec.gov

SUBJECT: RESPONSE TO THE SOLICITATION FOR COMMENT ON CONSIDERATION OF INCORPORATING IFRS INTO THE FINANCIAL REPORTING SYSTEM FOR U.S. ISSUERS (File No. 4-608)

Ford Motor Company ("Ford"), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. Ford Motor Credit Company LLC ("Ford Credit"), an indirect, wholly-owned subsidiary of Ford, is one of the world's largest automotive finance companies, and has provided dealer and customer financing to support the sale of Ford Motor Company products since 1959. Ford files consolidated financial statements reflecting two business sectors, Automotive and Financial Services; Ford Credit also files financial statements as a separate registrant.

We appreciate the opportunity to comment on the work plan being considered by the Securities and Exchange Commission ("SEC") for incorporating International Financial Reporting Standards ("IFRS") into the financial reporting system for U.S. registrants.

We enthusiastically anticipate the adoption of one global financial reporting standard. We believe that the introduction of one global financial reporting standard will provide opportunities for global enterprises to eliminate multi-jurisdictional accounting standards, simplify their business, improve communications with stakeholders, more efficiently leverage resources, and standardize internal controls. Several of our foreign affiliates already have adopted jurisdictional versions of IFRS, or have begun preparations for near-term adoption. We also have begun preparing for the opportunity to incorporate IFRS into our U.S. financial reporting.

The specific questions raised in the Notice of Solicitation represent only a small fraction of the planning and work that must be accomplished as global companies like Ford consider the total impact of incorporating IFRS. Because there is enormous work to be done to prepare people, systems and processes, we believe that it is imperative that the SEC issue a statement that sets a specific date as of which the SEC will accept IFRS-compliant statements from its registrants.

Whether the SEC decides to *mandate* an adoption date for all registrants is less important in our view than providing for a date at which registrants *may* begin filing IFRS-compliant financial statements. Unfortunately, we believe that failure to set a date as of which IFRS-compliant filings will be accepted prolongs the uncertainty registrants are currently experiencing. The price of this lingering uncertainty is compounded by the unprecedented rate at which updates to existing accounting standards are being proposed by regulators around the world.

In our opinion, the lack of a set date as of which U.S. registrants may adopt IFRS has major implications for the three of the topics that are subject to your solicitation for comment.

- **Contractual Arrangements.** We are party to hundreds of contractual arrangements involving such diverse counterparties as debtholders, suppliers, dealers, employees, lessors/lessees, and taxing authorities. We are party to several collective bargaining agreements with labor groups and unions in various countries as well, including the United States. In order to transition to IFRS, we must know the date as of which we will be permitted to file IFRS-compliant financial statements so

that we may finalize plans for a disciplined and controlled transition from existing contractual provisions that are compatible with U.S. generally accepted accounting principles ("GAAP") to provisions that are compatible with IFRS. The current uncertainty – not knowing when or even *if* we will be allowed to transition to IFRS-compliant financial statements – makes it nearly impossible to plan for transition to new IFRS-compliant contract provisions.

- Corporate Governance. Members of the Audit Committee of our Board of Directors are wholeheartedly committed to their responsibility for oversight of the preparation and audit of our financial statements, for assuring an appropriate governance process, and for monitoring the effectiveness of our internal controls. As such, our Audit Committee members have begun to familiarize themselves with IFRS, and will continue to develop their expertise as public discussion increases and we progress toward implementation. A date certain for voluntary adoption of IFRS would allow directors of public companies such as ours to begin preparing a timeline for transitioning governance processes and allow directors to evaluate whether appropriate funding and resources are being dedicated to the many implementation issues companies must address prior to adoption.
- Statutory Distribution Restrictions. As noted in Section IV.A of your request for comments, the transition to IFRS likely will require amendment of state laws (for example, those addressing dividend distributions and equity actions), as well as foreign regulations. We intend to work with lawmakers in the many statutory jurisdictions in which we operate to address the type of issues raised in your solicitation in order to plan for changes that will be required. A date certain would enable us to begin collaborating with lawmakers and regulators – and introduce a sense of urgency to the amendment process in order to ensure readiness for the introduction of IFRS.

In summary, we believe that it is imperative that the SEC announce a date certain at which IFRS-compliant filings will be accepted. As noted, we believe that such an announcement would:

- Encourage companies to begin working in earnest toward transition to IFRS, and provide 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.
- Allow companies with global operations to finalize a timeline to implementation, commit appropriate resources, and begin to address the many impacts IFRS adoption will have on its business, people, systems and processes.
- Avoid imposition of an immediate "one size fits all" adoption deadline, as many U.S. companies have varying degrees of global operations and complexity of operations (as well as resources to dedicate to adopting the new standards). By providing a date certain as of which registrants may voluntarily adopt IFRS, the SEC would be allowing U.S. registrants to determine the appropriate timing for adoption of IFRS without jeopardizing financial reporting integrity or incurring excessive costs.

We are very excited by the opportunities that IFRS affords for consistency of financial reporting across jurisdictions, improved efficiency and standardized internal controls. We appreciate the Staff's consideration of our comments, and welcome the opportunity to engage in discussions regarding the incorporation of IFRS into the U.S. financial reporting system.

Regards,



Susan M. Callahan
Manager, Global Accounting & Special Studies
scallaha@ford.com
(313) 845-2211