



Matthew J. Foehr
Vice President and
Comptroller

Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583
Tel 925 842 3232
Fax 925 842 2280

October 12, 2010

Via e-mail

Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-7010

Re: Request for Comment – File No. 4-608 – Incorporating IFRS for U.S. Issuers

Chevron Corporation appreciates the opportunity to provide comments to the Securities and Exchange Commission on the “*Consideration of Incorporating IFRS into the Financial Reporting System for U.S. Issuers*”. We applaud the Commission’s efforts to seek input from U.S. issuers as part of its work plan to reach a decision on whether to incorporate International Financial Reporting Standards (IFRS) into the U.S. financial reporting system.

The company has completed a detailed diagnostic of accounting practices and policies and system changes that would be required to convert to IFRS. The diagnostic concluded that three years would be required to complete the necessary changes in advance of the comparative reporting period. This would prepare the company to run parallel sets of financial statements for the two-year comparative period prior to the adoption of IFRS. For example, if the Commission were to decide in 2011 to adopt IFRS, the company would need to have from 2012 through 2014 to complete its conversion project in advance of preparing the opening balance sheet under IFRS on January 1, 2015. The first fiscal year for an IFRS filing (with two prior years of comparative financial statements) would then be 2017. Alternatively, the first year of IFRS filing would be 2016 if the SEC were to require only one year of comparative IFRS financial statements.

Chevron offers the following comments in response to the questions raised regarding Contractual Arrangements and Corporate Governance:

I. Contractual Arrangements

A number of the company’s contractual arrangements contain explicit references to U.S. GAAP. These arrangements typically involve financing agreements, leasing contracts and sale/purchase agreements. If the SEC were to mandate the U.S. adoption of IFRS, we do not anticipate significant difficulty in amending these agreements to reference IFRS, as appropriate. Likewise, we do not anticipate any financial metrics or credit ratings to be materially impacted by the adoption of IFRS.

In our opinion, the necessary changes to the contractual arrangements are best performed during the two-year comparative period. In the example above, this would be completed in the years 2015 and 2016.

II. Corporate Governance

Current SEC regulations [S-K 407(d)(5)] require that a company either identify at least one member of its audit committee that meets the definition of “audit committee financial expert” or explain why no member meets the definition. The definition requires that a director have an understanding of GAAP and financial statements. Competency can be obtained through education or experience as a principal financial officer, or by supervising the functions of a principal financial officer. Upon U.S. adoption of IFRS, most registrants’ board audit committee members will not have the financial expertise in IFRS and, thus, companies will be required to disclose that their audit committee does not have a financial expert, unless mitigating actions are taken. Likewise, a question will arise whether boards of companies listed on the NYSE and NASDAQ will be able to determine that their audit committee members are “financially literate” as is currently required to be in compliance with NYSE Listed Company Manual 303A.07 and the comparable NASDAQ Listing Rule 5605(c)(2).

The audit committee serves a critical role in providing investors assurances that the company’s financial records are well maintained and published financial reports provide a fair representation of the financial health of the company. The financial governance structure required by the SEC and the stock exchanges lends credibility to these statements. In our opinion, it would not be meaningful or beneficial to investors to have companies disclose they do not have the IFRS financial expertise on the board audit committee upon adoption of IFRS.

To mitigate this issue the SEC, along with the stock exchanges, could establish transitional guidelines that would allow audit committee members to develop a sufficient understanding of IFRS. During the transition period, companies could then be required to disclose whether committee members have fulfilled these requirements. For example, the guidelines could establish specific activities companies would be required to undertake to educate the audit committee on major differences between U.S. GAAP and IFRS and the impact on the company. Audit committee members could also be required to complete specified training on IFRS.

In our opinion, the transition period for re-qualifying audit committee members as financial experts should be two years, covering the year prior to and the first year of reporting under IFRS. In the example above, this would be years 2016 and 2017. This time frame provides the audit committee the necessary exposure to become sufficiently educated on IFRS and to understand the impact IFRS will have on the company’s financial statements.

* * *

We trust our comments are helpful to the SEC in these transitional issues upon the U.S. adoption of IFRS.

If you have any questions on the content of this letter, please contact Al Ziarnik, Assistant Comptroller, at (925) 842-5031.

Very truly yours,

