

April 17, 2009

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

**File Reference: Commission File No. S7-27-08**, Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers.

Dear Ms. Murphy:

The McGraw-Hill Companies is pleased to respond to the request by the Securities and Exchange Commission (the SEC or the Commission) for comment regarding the proposed roadmap (the Proposed Roadmap) for potential use of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) by U.S. Issuers for purposes of their filings with the Commission. We have reviewed the Proposed Roadmap and have the following comments:

The current global financial crisis and expanding global capital markets emphasize the growing need for a single set of high quality global accounting standards. The McGraw-Hill Companies supports the Commission's efforts toward the goal of a single set of high quality globally accepted accounting standards and believes that the markets and investors as well as U.S. issuers will benefit. However, we have the following concerns regarding the Proposed Rule:

#### **SEC's Decision Date on Mandatory Adoption of IFRS**

We recognize the importance of achieving the milestones set forth in the Proposed Roadmap in order for the Commission to require the use of IFRS by U.S. issuers in 2014. However, by the Commission waiting until 2011 to make a decision on the mandatory adoption of IFRS (as stated in the Proposed Roadmap); companies are unable to make vital economic and organizational decisions in order to properly prepare for conversion. Under the SEC's suggested timetable and without a date certain of conversion, discerning companies cannot make significant investment decisions for matters related to internal and external resources, accounting policy, information technology systems, business processes and internal controls.

Consequently, we do not agree with the Commission waiting until 2011 to make a determination due to the uncertainty it conveys. In these challenging economic times, companies cannot be expected to make a significant investment in IFRS readiness before the Commission establishes confidence and certainty in its mandate. U.S. companies will need several years to prepare and plan before being IFRS ready; waiting

until 2011 will not allow adequate time to prepare for a 2014 adoption date (with two years of comparative financial information).

We believe the following statements and actions by the Commission will significantly advance U.S. companies' investment in preparing for IFRS now: (1) in the near term, state with certainty that conversion will occur and announce a date on which U.S. issuers will be required to adopt IFRS, or (2) If the Commission does not announce a date certain, state that when the conversion schedule is announced, large accelerated filers will have at least two years of advanced notice from the first year of required (comparable) financial statements.

### **Other U.S. Government Agencies**

We understand that various U.S. government agencies such as the Internal Revenue Service (IRS) may not be prepared for a transition to IFRS. We suggest that the Commission considers the technology, process and administrative changes that agencies will need to implement in order to accept IFRS reporting. Dual-reporting under two separate accounting standards will be extremely costly and inefficient and therefore should not be a consideration. We believe that a mandatory adoption date should be deferred if it is expected that government agencies will not be ready.

### **Convergence Efforts**

In an effort to reduce the significant differences between U.S. GAAP and IFRS, we believe convergence efforts between the Financial Accounting Standards Board (FASB) and IASB should continue prior to a mandated adoption of IFRS. However, in order to convert on a stable platform, we believe that accounting standards should be frozen during the earliest IFRS period presented until the reporting date so companies are able to most effectively monitor U.S. GAAP to IFRS transition adjustments.

### **Global Usage**

With more than 110 countries permitting or requiring IFRS or basing their local standards on IFRS, it is imperative that each country use the same version of IFRS and do not adopt a localized version. However, we understand that a number of countries/jurisdictions have adopted a tailored approach of IFRS which defeats the purpose of a single global standard. We suggest the Commission add a milestone to monitor the willingness of countries to eliminate all local versions of IFRS and commit to moving to a global standard.

We would be pleased to discuss our comments with the Commission or its staff.

Sincerely,



Robert A. Morse Jr.  
Vice President, Global Finance Initiatives