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Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

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Progress Energy, Inc., a North Carolina corporation (“Progress Energy”, “we” or the “Company”), submits herewith its comments to the Securities and Exchange Commission (the “Commission”) on the ‘Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers’ (the “Proposed Roadmap”).

We appreciate the opportunity to comment on the Proposed Roadmap. For convenience of reference, each question is reprinted in bold, numbered to correspond with the Proposed Roadmap, and is followed by the response of the Company. The questions from the Proposed Roadmap on which the Company has no comment have been omitted. In addition to the responses for questions in the Proposed Roadmap, we respectfully request that the SEC publish specific guidance on why IFRS is needed in the U.S. and the data that supports that conclusion.

We also refer the Commission to the comment letter on the Proposed Roadmap submitted by The Edison Electric Institute (“EEI”), the association of U.S. shareholder-owned electric companies. Progress Energy is a member of EEI and participated in the development of EEI’s comment letter. We encourage the Commission to carefully consider the suggestions included in EEI’s comment letter, particularly regarding the impact of IFRS on regulated utilities in the U.S.

III. PROPOSED ROADMAP TO IFRS REPORTING BY U.S. ISSUERS

- 1. Do commenters agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not? What are commenters’ views on the potential for IFRS as issued by the IASB as the single set of globally accepted accounting standards?**

The Company believes that the U.S. may benefit from the development and use of a single set of globally accepted accounting standards. However, we are not convinced that a change in accounting standards is necessary or that IFRS would be the preferable standards over current U.S. GAAP. We believe there would be significant confusion experienced by investors in our sector from a conversion to IFRS. A conversion to IFRS may drive companies to make business decisions based on accounting treatment which would not be of benefit to U.S. investors, U.S. issuers or U.S. markets.

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We believe that the recent global spotlight on IFRS creates the impression that it is the best accounting standard. The Commission should perform a formal evaluation of U.S. GAAP and IFRS to support its proposal that IFRS are the preferable standards and that conversion to IFRS is preferable for U.S. issuers. During this formal evaluation, the FASB and IASB should continue to pursue convergence. Specifically, the FASB should not issue any new standard that is not fully converged with IFRS. The two boards should continue to converge their existing standards and eliminate the differences with new, consistent, high quality standards.

- 2. Do commenters agree that the milestones and considerations described in Section III.A. of this release (“Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers”) comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission? Are any of the proposed milestones not relevant to the Commission’s evaluation? Are there any other milestones that the Commission should consider?**

The Company agrees that the Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers are useful and relevant for the Commission to evaluate IFRS. However, the Commission should consider if adequate analysis has been performed to determine the best single set of standards. Identification of the “best” standards may lead the Commission to pursue further convergence between U.S. GAAP and IFRS for quality standards. On the other hand, if the Commission’s primary consideration is to have a “single set” of standards quickly, the current milestones in the Proposed Roadmap are appropriate.

We do not submit any additional milestones to consider, but would like to comment on the existing milestones:

- It appears that all milestones are viewed the same way and have the same ‘weight’ as to whether they are met or not. The Commission should consider if there are any milestones that are more important than others and make that clear in the Proposed Roadmap. We believe milestones 1, 2 and 4 are critical to any decision to mandate a conversion to IFRS. In addition, while we understand the Commission’s intent for milestone 3 regarding XBRL, we do not believe it is a critical area for a decision on the use of IFRS as the appropriate set of accounting standards for U.S. issuers.
- Milestone 4, Education and Training - We believe adequate progress on this milestone will not be achieved unless the Commission sets a date certain for conversion to IFRS. There should also be objective criteria for determining if the milestone is met. Companies, universities, service providers, etc. will not expend the resources to appropriately train and educate people until there is more certainty around the conversion to IFRS in the U.S. However, without proper training and education, the conversion to IFRS will be extremely difficult to implement and maintain.

- 3. Do commenters agree with the timing presented by the milestones? Why or why not? In particular, do commenters agree that the Commission should make a determination in**

2011 whether to require use of IFRS by U.S. issuers? Should the Commission make a determination earlier or later than 2011? Are there any other timing considerations that the Commission should take into account?

The Company does not agree with the timing presented by the milestones. The current proposed timeline is aggressive and there is much work to be done by the Commission before making the decision in 2011. The Commission acknowledges in the Proposed Roadmap that the process of converting a U.S. issuer's financial statements from GAAP to IFRS is a complex one. We believe a decision in 2011 that would require a January 1, 2012 conversion date does not leave sufficient time for companies to implement IFRS in a careful, efficient, and methodical manner. The Commission should provide quarterly reporting on the progress toward the milestones regardless of the timetable ultimately adopted. This will allow companies to stay informed of the Commission's intent and plan accordingly.

Regardless of whether a date certain is set or the timing of that date, we strongly believe there should be at least a two-year period between the announcement of a date certain and the actual mandatory conversion date (assuming a requirement for two or three years comparative financial information). For example, if the Commission were to rule on June 1, 2011 that conversion to IFRS was mandatory for U.S. issuers, we believe the earliest conversion date should be January 1, 2014. In that case, calendar year-end companies would first present IFRS financial statements for the years ended 2014, 2015 and 2016 to be included in the Form 10-K filed in March 2017. We do not believe that companies will expend significant resources on IFRS without a firm date. In addition, given the current state of the U.S. economy, it is even more unlikely that companies will commit resources without a firm date. The timing of the announcement of the date and the firm date should allow companies to be thorough and implement IFRS the right way. The need to implement new complex systems for IFRS will be costly to companies and consume resources. We believe this minimum two-year period between announcement of a date certain and the mandatory conversion date is necessary to allow companies time to implement an enterprise-wide conversion plans that addresses information technology needs, training, communication to investors, analysts and regulators, meets external audit expectations, etc.

- 4. What are commenters' views on the mandated use of IFRS by U.S. issuers beginning in 2014, on an either staged-transition or non-staged transition basis? Should the date for mandated use be earlier or later? If the Commission requires the use of IFRS, should it do so on a staged or sequenced basis? If a staged or sequenced basis would be appropriate, what are commenters' views on the types of U.S. issuers that should first be subject to a requirement to file IFRS financial statements and those that should come later in time? Should any sequenced transition be based on the existing definitions of large accelerated filer and accelerated filer? Should the time period between stages be longer than one year, such as two or three years?**

As discussed in responses 1 and 2 above, we do not believe the Commission has presented a convincing case as to why IFRS is a preferable set of standards over U.S. GAAP, and why conversion to IFRS is preferable over U.S. GAAP. Therefore, we do not support conversion

to IFRS at this time. We believe a renewed emphasis on convergence of U.S. GAAP and IFRS is the appropriate course of action.

As discussed in response 3 above, the mandated use date in the Roadmap is too aggressive if the decision is not going to be made until 2011. The Commission should also consider further other scenarios for conversion such as date certain conversion vs. gradual conversion; IFRS as issued by IASB vs. IFRS as issued by FASB; mandatory conversion for all vs. voluntary supplemental disclosure for some companies.

If conversion to IFRS is mandated, we believe a staged transition based on the existing definitions of large accelerated filer and accelerated filer is reasonable, and that there should be at least two years between each grouping of early adopters, large accelerated filers and accelerated filers.

5. What do commenters believe would be the effect on convergence if the Commission were to follow the proposed Roadmap or allow certain U.S. issuers to use IFRS as proposed?

We believe that the current focus on convergence would effectively cease if the Commission follows the Proposed Roadmap or allows certain U.S. issuers to use IFRS as proposed. However, we believe that the convergence project should be continued for private issuers. As differences between U.S. GAAP and IFRS become greater in number and significance, U.S. companies may be discouraged from going public due to the costs to convert to IFRS.

9. What are commenters' views on the IASB's and FASB's joint work plan? Does the work plan serve to promote a single set of high-quality globally accepted accounting standards? Why or why not?

We believe the joint work plan does serve to promote a single set of high-quality global accounting standards. We acknowledge the progress by the FASB and IASB has come slowly. Nevertheless, we believe the converged standards are high-quality and provide useful information to investors and users of financial statements. We believe for true convergence to be achieved in a reasonably timely manner, both boards must commit to issue the same verbatim accounting standards as a result of their joint projects.

10. How will the Commission's expectation of progress on the IASB's and FASB's joint work plan impact U.S. investors, U.S. issuers, and U.S. markets? What steps should be taken to promote further progress by the two standard setters?

The joint work plan between the IASB and FASB should continue. The timing of projects should be accelerated in conjunction with a delay in the mandatory date to convert to IFRS. This will continue the development and use of a single set of globally accepted accounting standards by decreasing the differences between GAAP and IFRS. The convergence projects in their joint work plan should produce one set of accounting standards for both GAAP and IFRS.

- 11. The current phase of the IASB's and FASB's joint work plan is scheduled to end in 2011. How should the Commission measure the IASB's and FASB's progress on a going-forward basis? What factors should the Commission evaluate in assessing the IASB's and the FASB's work under the joint work plan?**

The Commission should measure the number of single standards produced by the IASB and FASB together. Dual versions of the same standard should not be considered convergence when measuring progress. Measurement should also include an analysis that the standards produced by the two groups are the best accounting practice for the U.S.

- 12. What are investors', U.S. issuers', and other market participants' views on the resolution of the IASB governance and funding issues identified in this release?**

We believe that there must be independent funding for the IASB and the IASC Foundation prior to any mandate to implement IFRS. Concerns over the independence of the IASB have been well publicized, and reinforce the importance of a stable funding mechanism for any governing body responsible for producing high-quality accounting standards. The Commission's current and anticipated future relationship with these organizations and their governance and funding issues is not clearly defined in the Proposed Roadmap for the Company to comment further.

- 13. What steps should the Commission and others take in order to determine whether U.S. investors, U.S. issuers, and other market participants are ready to transition to IFRS? How should the Commission measure the progress of U.S. investors, U.S. issuers, and other market participants in this area? What specific factors should the Commission consider?**

The Commission should provide in-depth quarterly updates on the status of the milestones contained within the Proposed Roadmap. Of particular interest would be information on the progress of and lessons learned by early adopters. Other actions the Commission should consider are to survey the investment community to see if there are perceived benefits of the implementation of IFRS for the early adopters actually materialize, and to obtain data on the actual cost to implement IFRS by companies in the U.S, with consideration given to both financial cost and use of human resources. The cost to convert to IFRS is likely to far exceed the costs to adopt Section 404 of the Sarbanes-Oxley Act of 2002. Finally, we believe the Commission should give special consideration to the litigious nature of the U.S. capital system and whether use of IFRS will result in additional exposure to liabilities when management's use of judgment is questioned. As the Commission has observed, one reason for the evolution of detailed accounting guidance in U.S. GAAP is the desire to achieve consistency and reduce exposure to litigation and liabilities.

- 14. Are there any other significant issues the Commission should evaluate in assessing whether IFRS is sufficiently comprehensive?**

There are two additional issues that the Commission should evaluate in assessing whether IFRS is sufficiently comprehensive. First, as discussed herein, the Commission should

evaluate the maturity of IFRS and appropriately consider whether IFRS will be able to maintain its principles-based approach over time. We agree with certain commentators who predict that over time, the IFRS authoritative framework will expand based on requests from financial statement preparers for guidance on specific issues. We note with particular interest the flurry of activity from the IASB upon the expiration of its self-imposed moratorium on new guidance while the European community adopted IFRS.

The second issue is that IFRS currently does not include specific industry guidance for regulated enterprises. We acknowledge that there is currently a project being undertaken by the IASB on rate regulated activities. Nevertheless, we do not support the adoption of IFRS in the U.S. unless the IASB adopts regulatory accounting principles consistent with the spirit of SFAS No. 71, Accounting for the Impacts of Regulation. Regulatory accounting principles play an important part in the evaluation of companies operating under cost-based regulation. Regulated entities are an important sector of the U.S. investment economy, and we believe any set of accounting standards employed by U.S. registrants should incorporate appropriate industry guidance for the sector.

- 15. Where a standard is absent under IFRS and management must develop and apply an accounting policy (such as described in IAS 8, for example) should the Commission require issuers to provide supplemental disclosures of the accounting policies they have elected and applied, to the extent such disclosures have not been included in the financial statements?**

To the extent that the accounting policies elected and applied are material to the financial statements, the issuer should be required to provide supplemental disclosures on those accounting policies.

IV. PROPOSAL FOR THE LIMITED USE OF IFRS WHERE THIS WOULD ENHANCE COMPARABILITY FOR U.S. INVESTORS

- 28. Is it appropriate to exclude investment companies, employee stock purchase, savings and similar plans and smaller reporting companies? Are there other classes of issuers or certain industries that should be excluded?**

As to the initial consideration of a potential conversion to IFRS, we believe it is appropriate to currently exclude these classes of issuers. However, at some point all such entities should be transitioned to a single set of accounting standards.

IV. PROPOSAL FOR THE LIMITED USE OF IFRS WHERE THIS WOULD ENHANCE COMPARABILITY FOR U.S. INVESTORS

TRANSITION

- 29. Should we limit the first filing available to an annual report on Form 10-K, as proposed? If not, why not? Is the proposed transition date of fiscal years ending on or**

after December 15, 2009 appropriate? Should it be earlier or later, and why? What factors should be considered in setting the date?

We agree that the first filing should be limited to an annual report on Form 10-K, due to the inclusion in those annual filings of audited financial statements. Financial statement controls are generally more robust for annual reporting periods due to the additional annual controls performed and the additional preparation time allowed for annual filings, and therefore the first set of IFRS financial statements should report on an annual period. In addition, an annual filing requirement will also coincide with the implementation of IFRS No. 1. The first filing of IFRS financial statements should be two comparative years due to the cost and effort associated with compiling three years of IFRS data. The reconciliations required in the first filing under IFRS would identify the differences between U.S. GAAP and IFRS, and provide investors enough information for informed decisions using the third year of financial statements on a U.S. GAAP basis.

We believe the proposed transition date for fiscal years ending on or after December 15, 2009 is too early. We believe it is unlikely that there will be many companies that early adopt because of the cost and effort, given the uncertainty of the Commission's mandate, the potential reversion to U.S. GAAP in future years, and the potential additional requirements to continue to reconcile to U.S. GAAP.

30. Are there any considerations that may make it difficult for an eligible U.S. issuer to file IFRS financial statements? Are there considerations about filing IFRS financial statements that would weigh differently for an eligible U.S. issuer than they would for a foreign private issuer that files IFRS financial statements?

We believe that the mere potential that the Commission will not continue to permit or require registrants to report under IFRS will cause most companies to delay implementation activities and will have a pervasive impact on the actual implementation process. First, we believe companies will be unlikely to voluntarily report under IFRS if there is a chance the Commission will negate that option at a later date. Second, consultants indicate that the best practice for IFRS conversion efforts is to embed the IFRS reporting requirements in the basic accounting and reporting processes. The potential that the Commission may not allow IFRS reporting at a later date may push companies to implement a less stringent "topside conversion" approach, in which conversion entries are processed manually or through extensive use of spreadsheets. Most consultants advise that a topside approach is less efficient in the long run, and presents a greatly increased risk of manual error. In addition, the changes a company will have to make to convert to IFRS extend well beyond the accounting department; a conversion to IFRS is a pervasive change to the organization and is likely to be avoided if not mandatory.

31. What difficulties, if any, do U.S. issuers anticipate in applying the requirements of IFRS 1 on first-time adoption of IFRS, including the requirements for restatement of and reconciliation from previous years' U.S. GAAP financial statements?

In addition to the level of effort, strain on external and internal resources, and elevated level of commitment from many departments throughout an organization, there are some unknown difficulties in applying the requirements of IFRS 1. For example, componentization of property, plant and equipment will take resources inside and outside of a company's accounting department. We believe the IASB's exposure draft to amend IFRS 1 is a result of difficulties identified by Canada and rate regulated entities. We expect implementation of IFRS by U.S. issuers will identify other difficulties not yet identified or considered.

- 32. What would affect a company's willingness to use IFRS if it were eligible to do so? For example, some market indices, such as the S&P 500, currently only include issuers that report in U.S. GAAP. Are there other investment instruments or indices that would affect companies that would be eligible to use IFRS under the proposed criteria? Would the ability to be included in the S&P 500, or other instrument or index affect whether an eligible U.S. issuer decides to use IFRS? Would these indices be prepared to accept IFRS, and, if so, how long would it take for them to change their criteria? Would more issuers be likely to use IFRS after they do? Should these considerations influence our decision on whether or when to permit or require U.S. issuers to use IFRS in their Commission filings?**

As stated above in response no. 29, we believe most companies' willingness to use IFRS will be negatively impacted because of the uncertainty of the Commission's mandate, the potential reversion to U.S. GAAP at a later date, and the potential additional requirements to continue to reconcile to GAAP. Based on our experience, we do not believe it is difficult today for a company reporting under U.S. GAAP to raise capital overseas. Regarding the impact of indices on the Commission's decisions, we believe such decisions to permit or require IFRS should be based solely on whether IFRS is determined to be a preferable set of accounting standards over U.S. GAAP.

- 33. To facilitate the transition to IFRS, should we add an instruction to Form 10-K and Form 10-Q under which an issuer could file two years, rather than three years, of IFRS financial statements in its first annual report containing IFRS financial statements as long as it also filed in that annual report three years of U.S. GAAP financial statements? Under such an approach, an issuer could, during its third year after beginning its IFRS accounting, choose to file a Form 10-K/A with IFRS financial statements covering the previous two fiscal years.**

For the current (third) fiscal year, the issuer could then file quarterly reports on Form 10-Q using IFRS financial statements. For example, a calendar-year issuer that began its IFRS accounting for the 2010 fiscal year would use U.S. GAAP to prepare its Forms 10-Q and Forms 10-K for the 2010 and 2011 fiscal years. In 2012, that issuer would have the option of filing a Form 10-K or a Form 10-K/A with IFRS financial statements for 2010 and 2011, which would allow it to use IFRS in its quarterly reports during 2012, or continuing to use U.S. GAAP. In either case, the Form 10-K covering the 2012 fiscal year would include three years of IFRS financial statements.

We agree with the Commission's proposed added instruction to Form 10-K where an issuer could file two years of IFRS financial statements in its initial IFRS filing. In general, we support proposed changes that would give registrants more flexibility as to the timing of adoption. However, as noted herein, we believe the Commission should require only one year of comparative financial information upon the adoption of IFRS as a means to reduce implementation costs and increase the benefit to investors.

IV. PROPOSAL FOR THE LIMITED USE OF IFRS WHERE THIS WOULD ENHANCE COMPARABILITY FOR U.S. INVESTORS

PROPOSALS A & B

- 34. What are commenters' views on Proposals A and B relating to U.S. GAAP reconciling information? Which Proposal would be most useful for investors? Is there a need for the supplemental information provided by Proposal B? Would the requirement under Proposal B have an effect on whether eligible U.S. companies elect to file IFRS financial statements?**

To what extent might market discipline (i.e., investor demand for reconciliation information) encourage early adopters to reconcile to U.S. GAAP even in the absence of a reconciliation requirement?

We support Proposal A and believe it will provide an appropriate level of disclosure for investors and financial statement users. While some respondents will support Proposal B on the basis that more information is generally better, we do not believe this is necessarily the case. If the Commission concludes that IFRS is a preferable set of accounting standards to U.S. GAAP, there should be no need to continue to provide U.S. GAAP reconciliations after the initial implementation period. We believe Proposal B have a negative impact on U.S. companies' willingness to report under IFRS. Proposal B would increase the number of years on which registrants would need to maintain multiple sets of accounting records, resulting in a significant amount of cost and effort without a proven economic or operational benefit.

We believe market discipline would have limited impact on early adopters' desire or ability to provide U.S. GAAP information in the absence of a reconciliation requirement. The ability to provide such information will be highly dependent on the design of the implementation project and related reporting and internal control processes, and such decisions will be made well in advance of any market reaction to the type of IFRS information presented.

- 35. What role does keeping a set of books in accordance with U.S. GAAP play in the transition of U.S. issuers to IFRS? What impact will keeping U.S. GAAP books have on U.S. investors, U.S. issuers, and market participants?**

We believe that the need to keep multiple sets of books (IFRS, U.S. GAAP, regulatory reporting basis, tax basis IFRS, tax basis U.S. GAAP, etc.) is a major factor in any proposed transition to IFRS. Maintaining multiple sets of books is expensive and requires complex, integrated information technology systems as well as highly-trained personnel. We believe

the adoption of Proposal B, combined with the potential of the Commission to no longer permit or require IFRS in future years, is a significant deterrent to U.S. companies' willingness to voluntarily report under IFRS.

- 36. How valuable is reconciliation to U.S. investors, U.S. issuers, and market participants? How valuable is reconciliation to global market participants? Are there some financial statements (such as the statement of comprehensive income) which should not be required to be reconciled to U.S. GAAP?**

We believe reconciliation of IFRS amounts to U.S. GAAP amounts may be valuable to U.S. investors but not to global market participants, most of whom would presumably be reporting under IFRS. We believe statements such as the Statement of Other Comprehensive Income should not be required to be reconciled to U.S. GAAP. In addition, we believe IFRS to U.S. GAAP reconciliations should only be required in the first annual filing under IFRS.

- 37. Under either Proposal, would investors find the U.S. GAAP information helpful in their education about IFRS or in being able to continue to make financial statement comparisons with U.S. (and non-U.S.) issuers that continue to prepare U.S. GAAP financial statements? Would one alternative be more helpful to U.S. investors, regulators, or others in understanding information prepared under IFRS or to continue to make comparisons with issuers who prepare U.S. GAAP financial statements?**

Yes, investors would find the U.S. GAAP information helpful under either proposal. Proposal B may be more helpful for others to make comparisons with issuers who prepare U.S. GAAP financial statements.

- 38. Should we be concerned about the ability of U.S. issuers that elect the early use of IFRS to revert to U.S. GAAP? Would either Proposal be preferred to facilitate such a reversion, should that be appropriate or required as described above?**

We strongly believe it is inappropriate to provide U.S. issuers with the ability to elect the early use of IFRS if there is a possibility of mandating reverting to U.S. GAAP. The Commission should be convinced, through extensive due diligence prior to any mandate, that IFRS is the superior set of accounting standards to U.S. GAAP. Such a mandate should not be made until the Commission has completed its due diligence and exposed its views for public comment. Nevertheless, should the Commission no longer permit or require reporting under IFRS, we believe Proposal B would facilitate a reversion to U.S. GAAP.

- 39. Under Proposal B, should the proposed U.S. GAAP financial information be audited? Is the proposed role of the auditor appropriate? Should the proposed U.S. GAAP financial information be filed as an exhibit to the Form 10-K annual report, instead of as part of the body of the report? Is the proposed treatment of the information appropriate? For example, should the information be deemed "furnished" and not "filed" for purposes of Section 18 of the Exchange Act? Should we require that the supplemental U.S. GAAP information be contained in the annual report that is**

prepared pursuant to Exchange Act Rule 14a-3(b)? Should the supplemental U.S. GAAP information appear as a note to the financial statements? Is the proposed role of the auditor appropriate?

Proposal B's U.S. GAAP financial information should not be audited and should be considered 'furnished' and not 'filed'. The original U.S. GAAP financial statements will be audited when filed and the financial statements under IFRS will be audited as well; there is no need to specifically audit the reconciliation between the two. We also believe the supplemental U.S. GAAP information should appear as an unaudited note to the financial statements. The benefits for users for providing Proposal B be as 'filed' would not exceed the costs incurred by the preparers.

- 40. Under either Proposal, should we provide more guidance as to the form and content of the information called for? Under either Proposal, should we require that additional information be provided, such as a "full reconciliation" as is required under Item 18 of Form 20-F? Is there an intermediate position between the reconciliation under Proposal B and the reconciliation under Item 18 of Form 20-F?**

Additional guidance as to the form and content for either proposal would be beneficial. However, there should not be additional information required.

- 41. Under either Proposal, should we require that the issuer's "Management's Discussion and Analysis of Financial Condition and Results of Operations" prepared under Item 303 of Regulation S-K contain a discussion of the reconciliation and the differences between IFRS as issued by the IASB and U.S. GAAP?**

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should not contain discussion on the reconciliation and differences between IFRS and U.S. GAAP. MD&A should only contain the accounting standards (IFRS or U.S. GAAP) as reflected in the audited financial statements of that filing. To do otherwise would increase the complexity of the information and potentially be confusing to preparers and users of the financial statements.

- 42. Should we require supplemental U.S. GAAP information, such as that in Proposal B, for all quarterly periods covered by IFRS financial statements?**

We believe supplemental information for all quarterly periods covered by IFRS financial statements should not be required.

- 44. Under Proposal B, does providing U.S. GAAP information require issuers electing to file IFRS financial statements to maintain sufficient information, records and controls in order to revert back to U.S. GAAP? If not, what additional information, records or controls must be maintained?**

On first consideration, the answer to this question would appear to be yes, especially in years of and immediately after conversion. However, we are concerned that for years after

conversion, the level of rigor and oversight applied to U.S. GAAP information could be reduced. The farther a company gets away from the original implementation date and the more ingrained IFRS processes become, the harder it will be to revert back to U.S. GAAP.

- 45. Under Proposal A, what additional information, records or controls would be necessary for U.S. issuers electing to file IFRS financial statements to maintain so that they could revert back to U.S. GAAP?**

In order to revert back to U.S. GAAP, we believe a registrant would have to keep a complete set of U.S. GAAP books and maintain U.S. GAAP control procedures for all periods prior to the reversion date.

V. DISCUSSION OF PROPOSED AMENDMENTS

- 46. Are the criteria for issuers eligible to file financial statements in accordance with IFRS as issued by the IASB clear from the proposed definition of “IFRS issuer?” If not, in what way is the definition unclear, and what revisions would be necessary to eliminate any lack of clarity?**

We believe the proposed criteria for issuers eligible to file financial statements in accordance with IFRS are sufficiently clear.

- 52. With regard to specific references to U.S. GAAP in our regulations, should we amend the references to U.S. GAAP pronouncements to also reference appropriate IFRS guidance, and, if so, what should the references refer to? Would issuers be able to apply the proposed broad approach to U.S. GAAP pronouncements and would this approach elicit appropriate information for investors? Should we retain the U.S. GAAP references for definitional purposes?**

We believe the U.S. GAAP references should be maintained until all issuers are reporting under IFRS.

- 53. With regard to general references to U.S. GAAP, is our proposed approach appropriate and sufficiently clear? If not, how should these matters be addressed differently and why?**

We believe the Commission’s proposed approach to U.S. GAAP references is sufficiently clear.

- 54. Is our proposed approach sufficiently clear on how to address general caption data, segment data and schedule information outside the financial statements? If not, what changes should we make? Are there other places in our regulations that need to be addressed?**

We believe that the proposed approach to such information is sufficiently clear. We have not identified any other places in the regulations that need to be addressed.

- 55. Will three years of selected financial data based on IFRS be sufficient for investors, or should IFRS issuers be required to disclose in their selected financial data previously published information based on U.S. GAAP with respect to previous financial years or interim periods?**

We believe the inclusion of three years of selected financial data based on IFRS is sufficient, and no additional U.S. GAAP information is required for earlier periods. As previously stated, we suggest that the first filing of IFRS financial statements should be two comparative years, with any third year based on U.S. GAAP.

- 56. Should the Commission address the implications of forward-looking disclosure contained in a footnote to the financial statements in accordance with IFRS 7? For example, would some kind of safe harbor provision or other relief or statement be appropriate?**

We believe the Commission should not address the differences between the safe harbor provision and IFRS 7. If the Commission believes that IFRS is the superior body of accounting standards and mandates implementation of IFRS, all of IFRS should be adopted.

- 57. Is the proposed disclosure in Form 10-K sufficient in prominence and content to indicate to investors that the issuer has changed its basis of financial reporting from that used in previous filings? If not, what further disclosure should be provided, and where? Should we require that an issuer disclose the criteria under which it is eligible to file IFRS financial statements? Should issuers be required to reference the letter of no objection in their first IFRS filing?**

We believe that the proposed disclosure is sufficient to inform investors that the issuer has changed its basis of financial reporting from that used in previous filings, and no further information is required. If a letter of no objection was obtained, it should be referenced in their first IFRS filing.

- 58. Should we amend Form 8-K to require “forward-looking” disclosure relating to an issuer’s consideration of whether it will file IFRS financial statements in the future? If so, what type of information should be disclosed, and at what point in time prior to the issuer actually filing IFRS financial statements? Would a requirement to make such forward-looking disclosure have any impact on an issuer’s decision to adopt IFRS? If so, what would the effect be? Are there issues on which further guidance for IFRS issuers would be necessary and appropriate?**

We do not believe an issuer should be required to disclose its intent to file IFRS financial statements in the future. We believe that the proposed disclosure is sufficient to inform investors that the issuer has changed its basis of financial reporting from that used in previous filings. We do not believe that the Form 8-K should be amended to include an issuer’s consideration and decision to adopt IFRS.

V. DISCUSSION OF PROPOSED AMENDMENTS

F. Pro Forma Financial Statements Provided under Article 11

- 60. Is the application of the proposed rules to the preparation of financial statements and financial information described in Sections V.D and V.E above sufficiently clear? If not, what areas need to be clarified? Are any further changes needed for issuers that prepare their financial statements using IFRS as issued by the IASB?**

We believe the proposed rules to the preparation of the financial statements are sufficiently clear.

VI. GENERAL REQUEST FOR COMMENTS

- 66. Are there other considerations in addition to those discussed in this release that the Commission should consider as part of the proposed amendments to permit the limited use of IFRS or its future decision regarding the use of IFRS by U.S. issuers?**

We believe that a transition to IFRS from U.S. GAAP will not guarantee comparability and consistency between companies in the same industries and lines of business. Ernst & Young's survey titled 'How are Global Power and Utilities Companies Applying IFRS – An Overview Of Financial Statements 2007', analyzes how companies have applied IFRS principles differently and how they have disclosed its interpretation and application of the principles in their notes to the financial statements. The survey focused on the adoption of IFRS 7 Financial Instruments: Disclosures and the amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures. This is evidence that comparability is not likely, even when using a single set of globally accepted accounting standards.

VIII. COST-BENEFIT ANALYSIS

- 67. Do you agree with our assessment of the costs and benefits as discussed in this section? Are there costs or benefits that we have not considered? Are you aware of data and/or estimation techniques for attempting to quantify these costs and/or benefits? If so, what are they and how might the information be obtained?**

We believe the Commission should take time to quantitatively measure consistency of IFRS, address if the transition yielded anticipated economic benefits and provided access to additional capital. Then the assessment on costs and benefits would be timely and applicable for U.S. companies.

X. CONSIDERATION OF IMPACT ON THE ECONOMY, BURDEN ON COMPETITION AND PROMOTION OF EFFICIENCY, COMPETITION AND CAPITAL FORMATION

- 70. Would the proposed amendments, if adopted, promote efficiency, competition and capital formation?**

We believe the Commission has not yet presented a thorough case for why the amendments are needed, nor has it presented objective data as to the anticipated benefits if a move to IFRS is made. Therefore, we cannot conclude whether the proposed amendments, if adopted, would promote efficiency, competition and capital formation.

* * * * *

Thank you for this opportunity to submit our views on the Proposed Roadmap. We believe that gradual convergence of U.S GAAP and IFRS would provide the best set of accounting standards. The costs of conversion as currently proposed in the Roadmap exceed the benefits for U.S. investors, U.S. issuers and U.S. markets. We would be happy to discuss any of our responses with the Commission as part of their ongoing assessment of this matter.

Sincerely,



Jeffrey M. Stone

JMS/lb

c: William D. Johnson
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Mark F. Mulhern
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