

April 20, 2009

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

Dear Ms. Murphy:

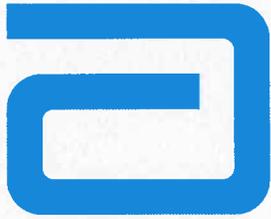
We are pleased to respond to the Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers.

Abbott is a \$29 billion worldwide company engaged in the discovery, development, manufacture and sale of human health care products.

We have reviewed the proposed roadmap and have the following comments in response to the questions:

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?

Comment: We believe a single set of globally accepted standards would be beneficial. For users of financial statements, a single set of standards would improve comparability among companies, and US investors would be much better prepared to invest in non-US companies as they become more familiar with the global standards. For issuers of financial statements who operate in jurisdictions where statutory accounting is prepared with the global standard, improved recordkeeping will result from eliminating the need to keep separate books or reconciliations. Often these separate records are mechanized. Therefore we believe US issuers will reduce redundant costs. Additionally, it will be easier to transfer personnel in or out of the US, to train personnel, to communicate and enforce accounting policy, and to locate accounting functions in any part of the world. For markets, we believe single standards would be advantageous to enhancing global commerce, particularly in



mergers and acquisitions and in intellectual property licensing, as each party would understand the relevant financial results. We believe IFRS as issued by the IASB is appropriate for the single set of globally accepted standards because it has been time tested, it is supported by a qualified standard setting authority, it is relatively similar to existing US standards, and is the predominant GAAP outside of the US.

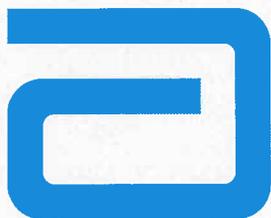
2. Do commenters agree that the milestones and considerations described in Section III.A. of this release (“Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers”) comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used 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?

Comment: We generally agree with the milestones identified, except we do not believe the results of limited early use, as currently proposed, should be a key milestone. We discuss this aspect below in questions 16, 18 and 27. In addition, we believe a decision to mandate use “in 2011” is too vague. Assuming the reporting requirements for large accelerated filers would be as proposed, we believe the decision on mandatory adoption should occur in early 2011, specifically no later than January 15, 2011.

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?

Comment: We believe there is a balance between certainty—whether issuers must convert or not—and timing—having enough time to prepare. The current proposal conveys a sense of uncertainty about conversion, resulting in a risk to preparedness. A better proposal would be to state with certainty that conversion will occur, when the conversion schedule will be published, and how much time there will be between that publication date and the date of the financial statements under global GAAP.

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?

Comment: We are comfortable with use of IFRS by US issuers beginning in 2014, and believe the staged conversions allow a practical, but not ideal adoption process. We would suggest that the sequencing of conversions be relatively tight. A tight sequencing will minimize the length of time that comparison differences will exist between companies within the same industries. Staging will allow the smaller issuers to learn from the large companies, and a tight sequence will minimize investor frustrations over lack of comparability. We generally agree with basing the adoption on the existing definitions of accelerated filers.

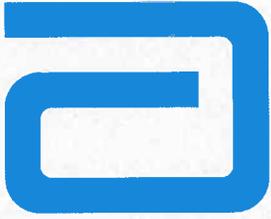
5. What do commenters believe would be the effect on convergence if the Commission were to follow the proposed Roadmap or allow certain U.S. issuers to use IFRS as proposed?

Comment: We believe convergence will suffer, but we do not believe that should be a concern. As a practical matter, 100% convergence is not likely, and no amount of time would guarantee 100% convergence. Adopting the proposed Roadmap would immediately shift stakeholders' interest in the rulemaking bodies. We expect US public issuers will desire that the FASB leave FASB standards alone, or at least change only those that will result in comparability with the international standards. This could be detrimental to near term improvements to US GAAP. Other stakeholders may push for convergence to US GAAP under the belief that US GAAP is better, in part because of its detail. In general, we do not share this view. Therefore, we do not believe efforts should be focused on convergence except where a reasonable likelihood of doing so ahead of conversion can be expected.

6. Is it appropriate to exclude investment companies and other regulated entities filing or furnishing reports with the Commission from the scope of this Roadmap? Should any Roadmap to move to IFRS include these entities within its scope? Should these considerations be a part of the Roadmap? Are there other classes of issuers that should be excluded from present consideration and be addressed separately?

Comment: We have no comment, as we are not directly affected.

7. Do commenters agree that these matters would affect market participants in the United States as described above? What other matters may affect market participants? Are there other market participants that would be



affected by the use by U.S. issuers of IFRS in their Commission filings?
If so, who are they and how would they be affected?

Comment: We have no comment.

8. Would a requirement that U.S. issuers file financial statements prepared in accordance with IFRS have any affect on audit quality, the availability of audit services, or concentration of market share among certain audit firms (such as firms with existing international networks)? Would such a requirement affect the competitive position of some audit firms? If the competitiveness of some firms would be adversely affected, would these effects be disproportionately felt by firms other than the largest firms?

Comment: We believe that adoption of IFRS may increase the development of “firm policies” whereby the audit firms develop their own interpretations of GAAP. Issuers are not a part of this process.

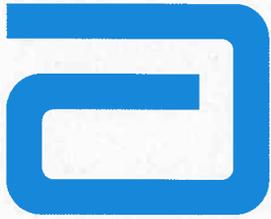
We believe that public accounting firms will need to staff engagements with more seasoned auditors for those areas where accounting guidance is not as prescriptive as US GAAP, and for asset impairment measurements.

It would seem to us that all public accounting firms that support IFRS in the US would also need to support GAAP as issued by the FASB, thus incurring redundant costs. That could result in smaller firms backing away from auditing issuers who use IFRS, thus limiting competition for IFRS audits and IFRS audit-related services.

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?

Comment: Except for the Financial Statement Presentation project, we believe the joint work plan addresses areas where meaningful progress can be achieved in contemplation of convergence. We believe the Financial Statement Presentation project could be significant in terms of implementation effort by preparers and the readiness of users to adapt. We believe it should not be required for implementation during the implementation of IFRS.

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?



Comment: We believe 100% convergence will not be achieved. Therefore, we believe expectations need to be set in terms of substantial comparability. In any case, we do not believe either convergence or substantial comparability ought to be a “go no-go” criteria for implementation of IFRS for US issuers. While comparisons of IFRS GAAP to FASB GAAP are inevitable, the criteria ought to be whether IFRS is of sufficient quality to allow US issuers to follow 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?

Comment: As noted above, we believe the criteria for assessing progress ought to be whether IFRS is of high quality. While progress towards convergence is necessary, the extent of progress towards convergence is of less importance than the quality of IFRS.

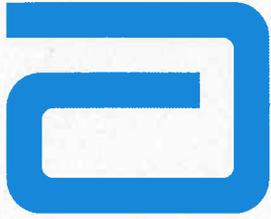
12. What are investors’, U.S. issuers’, and other market participants’ views on the resolution of the IASB governance and funding issues identified in this release?

Comment: We concur with the Commission’s view that a secure, stable funding mechanism for the IASC Foundation and that a Monitoring Group that provides effective oversight are necessary prior to mandated adoption of IFRS by US issuers.

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?

Comment: We believe the first step is for the SEC to set forth a firm but achievable timeline for adoption. This should serve to focus stakeholders. For US investors and academia, readiness may be difficult to measure, and the current misperceptions about the quality of IFRS demonstrate that stakeholders have virtually no objective resources to turn to. For issuers, the MD &A provides the best existing disclosure mechanism for companies to report to the public, and we would support an explicit rule or interpretation for disclosure of IFRS readiness.

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



Comment: An independent, anonymous survey of EU stakeholders might be of benefit.

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?

Comment: We believe that disclosures of those policies that apply to material financial statement amounts or that materially affect the determination of financial results should be disclosed in the footnotes. For example, with the exception of development stage enterprises, we would expect every issuer to disclose its revenue recognition policies. However, within revenue recognition there may be aspects that are not material. We do not think these would need to be disclosed. For example, if a company has no material multiple element revenue arrangements, no disclosure should be required.

16. Do commenters agree that certain U.S. issuers should have the alternative to report using IFRS prior to 2011? What circumstances should the Commission evaluate in order to assess the effects of early adoption on comparability of industry financial reporting to investors?

Comment: We do not oppose the proposal, however we do not find it useful for issuers. For issuers, the dual recordkeeping and potential to be required to revert to prior US GAAP make the proposal unattractive. We would not expect the limited number of early adopters to provide much useful insight to the Commission.

17. Do commenters agree with the proposed criteria by which the comparability of an industry's financial reporting would be assessed? If not, what should the criteria be?

Comment: We believe the criteria are practical and have no suggestions.

18. Which eligible U.S. issuers have the incentive to avail themselves of the proposed amendments, if adopted? Are there reasons for which an issuer that is in a position to file IFRS financial statements under the proposed amendments would elect not to do so? If so, what are they?

Comment: We believe only large issuers with substantial international operations will find the proposed amendments attractive. As noted above, the potential for reversion to prior GAAP is a significant disincentive, as is the ongoing reconciliation to prior GAAP. In addition, for companies that are active in the merger and acquisition area,



acquisition of a company with a different GAAP will present significant additional challenges to the acquirer. We believe there are significantly more opportunities to acquire companies that would not be using IFRS than opportunities to acquire companies that do use IFRS. Finally, we believe the current economic conditions make early adoption more difficult to justify.

19. Is limiting the proposal to the largest 20 competitors by market capitalization an appropriate criterion? Should it be higher or lower? Should additional U.S. issuers be eligible to elect to report in IFRS if some minimum threshold of U.S. issuers (based on the actual number or market capitalization of U.S. issuers choosing to report in IFRS) elects to report in IFRS under the eligibility requirements proposed? To the extent additional U.S. issuers are not permitted to report in IFRS even if such a minimum threshold is met, are such non-eligible U.S. issuers placed at a competitive disadvantage vis-à-vis U.S. issuers reporting in IFRS?

Comment: As noted above, we would not expect many issuers to request early adoption. Accordingly, we believe that there would be little impact from changing the criteria.

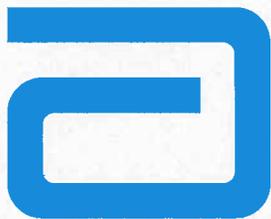
20. Would the use of different industry classification schemes as proposed be unclear or create confusion in determining whether an issuer is IFRS eligible? Should we require that all issuers use a single industry classification scheme? Why or why not?

Comment: We believe the criteria are practical.

21. What impact will the Commission's determination to allow an industry to qualify as an "IFRS industry" without majority IFRS use have on the Commission's objective of promoting comparability for U.S. investors? How will this impact U.S. investors, U.S. issuers, and U.S. markets? Is the use of IFRS more than any other set of financial reporting standards the right criterion? Should it be higher or lower?

Comment: The early adoption option creates non-comparability. The SEC needs to weigh the detriments of non-comparability against the benefits of scaling up gradually. Because we do not expect many early adopters, we do not expect non-comparability to be a significant detriment for investors. In any case, the period of non-comparability needs to be limited.

22. Should the Commission permit additional industries to qualify as IFRS industries, and thus additional U.S. issuers to become early adopters, as more countries outside the U.S. adopt IFRS? Alternatively, should the



group of potential industries and early adopters be limited to those that qualify at the time the Commission determines to permit early adoption?

Comment: No additional comments other than as noted above.

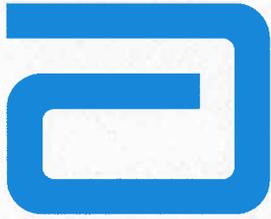
23. Do commenters have any suggestions about the procedural aspects of the proposed eligibility requirements, e.g., the procedure for obtaining a letter of no objection from the Commission staff or the minimum contents of the required submission? Is such a procedure necessary? Do commenters agree that such a procedure would assist both issuers and investors? Should the procedural aspects of the proposed eligibility requirements be less formal? Should the procedure be similar to that in the no action letter process regarding shareholder proposals under Rule 14a-8 of the Exchange Act? Should the letter of no objection be advisory only? Should obtaining a letter of no objection be optional? Is the method for calculating eligibility clear and appropriate or are there alternative suggestions that should be considered? Should the Commission publish standards or criteria to guide the staff's determination? What do commenters believe the respective role of the Commission and its staff should be in making these eligibility determinations? Should the Commission post on its Web site all submissions and responses, including those for which the staff does not issue a no-objection letter?

Comment: The proposal is reasonable.

24. Currently, some public companies in the U.S. public capital market report in accordance with IFRS and others in accordance with U.S. GAAP. Today, however, this ability to report using IFRS exists only for foreign companies. What consequences, opportunities or challenges would be created, and for whom, of extending the option to use IFRS to a limited number of U.S. companies based on the criterion of improving the comparability of financial reporting for investors?

Comment: We believe the early adoption feature will create more non-comparability than comparability due to very significant number of US issuers that will not report using IFRS. Allowing early adoption without the certainty of adoption by all issuers potentially exacerbates this problem.

25. Do commenters agree that the criterion of enhanced comparability is the correct one? Are there other criteria that should be used? For example, should issuers be eligible based on their size or their global activities? If a size criterion were used to include the largest U.S issuers, what should the cut-off be? Should there be a criterion based on the absence of past



violations of the federal securities laws or based on shareholder approval?

Comment: We have no further comments, other than approval by shareholders would exclude other primary stakeholders—holders of issuer debt—from the approval process, and that would seem unfair. We do not believe a shareholder vote is necessary.

26. Do commenters agree that the proposed required disclosures are appropriate? If not, what disclosures should be provided?

Comment: The disclosures appear appropriate.

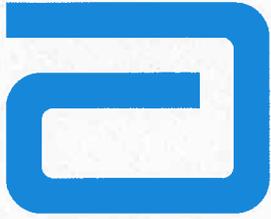
27. What are commenters' views on the accounting principles that should be used by those U.S. issuers that elect to file IFRS financial statements if the Commission decides not to mandate or permit other U.S. issuers to file IFRS financial statements in 2011? Should the Commission require these issuers to revert back to U.S. GAAP in that situation?

Comment: We believe the potential to be required to revert to prior US GAAP is a significant detriment to early adoption. The requirement to potentially revert to prior US GAAP would add significant duplicate costs to companies that adopt IFRS early. In addition, we believe it might call into question the quality of the financial statements the company had issued under IFRS, perhaps inviting lawsuits. At a minimum, it will add confusion. Accordingly, the Commission needs to weigh the desires to withdraw from IFRS for some currently unforeseen reason with the limited benefits it might gain from early adoption by few companies. We believe eliminating the reversion to prior US GAAP would increase interest in early adoption. However, given the complexity of adoption of IFRS by most large issuers, combined with the current economic conditions, we do not believe there will be many early adopters.

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?

Comment: We concur with excluding employee stock purchase plans and similar filers. It is not uncommon for these entities to use a non Big 4 audit firm. If that audit firm had decided not to invest in IFRS then sponsors would have to change auditors.

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?

Comment: We sense that there has been a significant loss of early momentum by issuers in preparing for IFRS compared to the momentum sensed immediately after the Roadmap was issued. Given the requirements of IFRS for first time adoptions, we believe adoption for the first time in a 10-K is necessary. We are not in a position to consider adoption for the 2009 10-K. Our interest in early adoption at a later date would be dependent on whether reversion to prior US GAAP could be required, as discussed above.

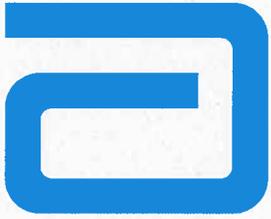
30. Are there any considerations that may make it difficult for an eligible U.S. issuer to file IFRS financial statements? Are there considerations about filing IFRS financial statements that would weigh differently for an eligible U.S. issuer than they would for a foreign private issuer that files IFRS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

Comment: We would expect that foreign private issuers have staff available that are educated and trained on IFRS, but we have not conducted a survey to verify. We know that our US staff is not familiar with IFRS, and therefore extensive training will be necessary for our US staff. We believe foreign private issuers may have already developed and communicated their IFRS accounting policies. For our US and ex-US staff, training will also be necessary on the accounting policies we adopt on conversion to IFRS.

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?

Comment: We intend to keep books under both GAAPs for the periods that will be replaced with IFRS on adoption. We also intend to currently prepare financial statements and notes under IFRS during these periods, and to have them currently audited. While we will incur additional internal and external costs, we believe it is less costly than creating records under IFRS retrospectively.

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?

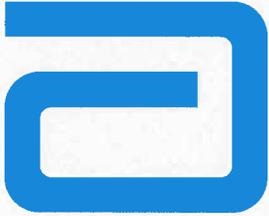
Comment: Inclusion in the S & P 500 Index and the S & P 500 Healthcare Index are very important to Abbott. Exclusion from these indices would adversely affect our interest in adoption.

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.

Comment: We find the proposal cumbersome. We believe the initial filing under IFRS ought be two years, with the third year added in the second year after adoption. Presentation of duplicate financial statements using different GAAPs seems onerous, although it may be advantageous to some filers.

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?

Comment: We believe the Commission should resist establishing more extensive reconciliations than as proscribed by IFRS1. Proposal B adds undue costs to registrants with doubtful benefit to investors.



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?

Comment: We believe dual records will be costly to registrants, but know of no other approach that would be reliable. As discussed above, the dual recordkeeping is a serious detriment to early adoption since registrants are unclear as to how to construct their reporting systems when faced with the possibility of being required to revert to prior GAAP.

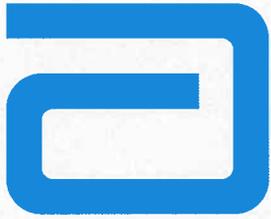
36. How valuable is reconciliation to U.S. investors, U.S. issuers, and market participants? How valuable is reconciliation to global market participants? Are there some financial statements (such as the statement of comprehensive income) which should not be required to be reconciled to U.S. GAAP?

Comment: Reconciliations are not expected to be of more than nominal value to preparers. We do not expect reconciliations to be useful to registrants' investor relations departments. Since the reconciliations of foreign private issuers are not required under certain circumstances, investors may or may not find the reconciliation useful for comparison with other filers

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?

Comment: We do not believe the reconciliations are an appropriate forum for educating US investors about IFRS. The reconciliations will not be valuable for comparison to non-US companies, but may be valuable to compare to those US public companies that have not adopted.

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?



Comment: Those companies that elect early adoption will have to do so with reversion in mind, and as noted above, we believe this is detrimental to interest by preparers in conversion to IFRS.

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)?¹²¹ Should the supplemental U.S. GAAP information appear as a note to the financial statements? Is the proposed role of the auditor appropriate?

Comment: We believe such additional auditing requirements further detract from the incentive to adopt early.

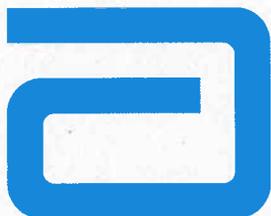
40. Under either Proposal, should we provide more guidance as to the form and content of the information called for? Under either Proposal, should we require that additional information be provided, such as a “full reconciliation” as is required under Item 18 of Form 20-F? Is there an intermediate position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

Comment: The “full reconciliation” essentially causes a duplicate set of financial statements to be prepared with the addition of a variance column. We believe this is excessive and not necessary. As noted above, we believe the reconciliations required by IFRS No. 1 are sufficient.

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?

Comment: In the year of adoption, we believe it would be appropriate to discuss the major differences in the reconciliation. We do not believe the MD & A needs to address it after the first 10-K filed using IFRS.

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



statements?

Comment: We do not think so.

43. Should the option to report under IFRS, whether under Proposal A or Proposal B, automatically terminate as of a date certain? If so, should that date be a set period of time? For example, should it be three years following the effective date of an adopting release? Should it be a longer or shorter time period? Should it be measured from another date (e.g., the first permissible compliance date or the date of the first letter of no objection issued)? What considerations should be part of our decision as to the date or duration?

Comment: We have no comment.

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?

Comment: It would seem to do so, however, we have not studied it in detail as we think early adoption is not practical for us.

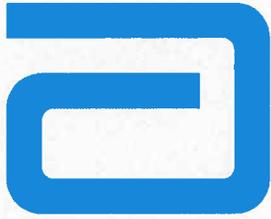
45. Under Proposal A, what additional information, records or controls would be necessary for U.S. issuers electing to file IFRS financial statements to maintain so that they could revert back to U.S. GAAP?

Comment: We believe it may be necessary to essentially maintain a full set of duplicate records under either A or B, due to the reversion requirement. For instance, a registrant will need to be in a position to prepare the financial statements for a discontinued business, making so-called topside recordkeeping risky. Even if a duplicate set of records were not required for all applicable data, it would appear that extensive duplicate recordkeeping would be required.

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?

Comment: It is clear to us.

47. Is there any ambiguity in the proposed amendments regarding the reasons



for the distinction between “IFRS issuer” and foreign private issuer, and the application of the rules to each? If so, what is the nature of the ambiguity and what would be necessary to provide clarity?

Comment: It does not appear ambiguous to us.

48. Is the application of Regulation S-X and Regulation S-K to financial statements prepared in accordance with IFRS as issued by the IASB clear from the proposed amendments, or are there other items within those regulations that should be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as issued by the IASB? If so, how would the application of Regulation S-X and Regulation S-K be unclear if there were no changes to those other than those proposed? What changes would be suggested in order to make them clear?

Comment: We have no comment.

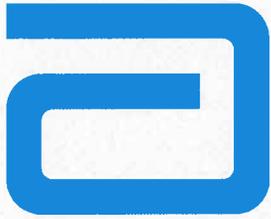
49. Is there any reason why an issuer would be unable to assert compliance with IFRS as issued by the IASB and obtain the necessary opinion from its independent auditor?

Comment: Other than an issuer attempting to create the initial IFRS financial statements retrospectively, which could be unreliable, we do know of a reason why an issuer would be unable to obtain the necessary opinion.

50. Is the application of Articles 1 through 12 of Regulation S-X to IFRS financial statements clear from the proposed Rule 13-02? If not, what further clarification is necessary? Are there other rules contained in Articles 1 through 12 that do not, or may not, apply to financial statements prepared in accordance with IFRS as issued by the IASB and that are not addressed in proposed Rule 13-02? If so, what are they and how should they be addressed?

Comment: Based on our current familiarity with IFRS, we believe the proposed Rule 13-02 is sufficient.

51. A U.S. issuer engaged in oil and gas producing activities that has followed the successful efforts method and carries forward that practice under IFRS will have consistent reserves disclosure under FAS 19, FAS 69 and Industry Guide 2. If that issuer were to apply another method of accounting permitted under IFRS, it may lead to inconsistencies between Industry Guide disclosure, FAS 69 disclosure, and the financial



statements. Would such potential inconsistencies create ambiguity for users of that information or otherwise be a cause for concern? If so, what would be an appropriate means of addressing the inconsistencies?

Comment: We have no comment as we are not involved in oil and gas production.

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?

Comment: We believe the regulations that refer to specific US GAAP need to be amended. This process could be time consuming and expensive for the Commission. However, if the future state of public reporting is IFRS, then references to specific FASB statements and similar literature could make those rules ambiguous for preparers of IFRS filings.

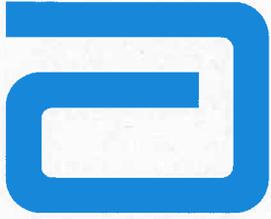
53. With regard to general references to U.S. GAAP, is our proposed approach appropriate and sufficiently clear? If not, how should these matters be addressed differently and why?

Comment: We are not troubled by general references to US GAAP as much as specific references to US GAAP as noted above.

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?

Comment: We believe the 8-K Item 2.05 reference to Statement 146 should be amended. We believe Regulation S-K 229, Item 402 should be clarified as to whether the registrant's FAS No. 123 compensation cost in the Summary Compensation Table for years previously reported should be restated to be consistent (with the exception of forfeitures) with compensation recognized in accordance with IFRS when IFRS statements are first presented, if there is a difference.

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?



Comment: As noted in our reply to Question 33, we believe two years of financial statements prepared using IFRS in the initial year of adoption is preferable for issuers. Accordingly, we believe two years of selected data presented using IFRS is acceptable initially.

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?

Comment: Yes.

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?

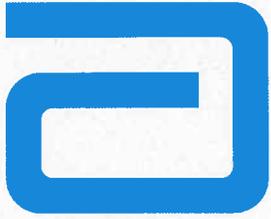
Comment: We believe the disclosure requirements are reasonable, except disclosure of the criteria for eligibility and references to the letter of no objection do not seem to warrant disclosure.

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?

Comment: We do not believe adoption of IFRS is of the nature of an 8-K item. As noted above, prospective disclosure in an MD & A would appear sufficient.

59. Are there issues on which further guidance for IFRS issuers would be necessary and appropriate?

Comment: We believe the role of prior GAAP literature of any kind needs to be positioned as a source of generally accepted accounting principles that may aid an issuer in forming its accounting policies, but they should not override or in some way have superiority over IFRS GAAP. Clarifying the role of prior GAAP would address



two issues. Unless there is clarity, the auditor may “post” adjustments based on other GAAP guidance rather than IFRS GAAP, leading to disagreements with the issuer and possibly making adjustments for which the issuer’s management does not agree. Second, the US could no longer have IFRS as issued by the IASB, but instead have IFRS as interpreted through US auditing regulations. Foreign regulators could use a similar mechanism to cause IFRS to be applied in accordance with their own interpretation.

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?

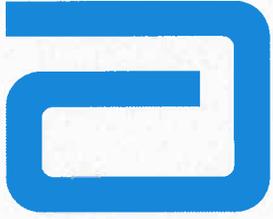
Comment: We are concerned that when pro forma financial statements are required as a result of a business combination and the acquired company has not followed IFRS, that it may not be possible to create the IFRS financial statement for the acquiree in time for the required pro forma disclosure. We believe an extension of time for making that disclosure is appropriate. As a practical matter, we believe once the conversion of all US public companies to IFRS is complete, this issue would essentially disappear.

61. Under the proposed rules, an IFRS issuer or foreign private issuer may file financial statements of an entity under Rule 3-05, 3-09 or 3-14 prepared in accordance with IFRS as issued by the IASB even though the entity does not meet the definition of “IFRS issuer.” Should we also accept financial statements required under Rule 3-05, 3-09 or 3-14 prepared in accordance with IFRS as issued by the IASB without regard to the status of the issuer as an IFRS issuer or foreign private issuer? Should our acceptance depend on characteristics of the entity whose financial statements are being provided, such as that the entity already prepares IFRS financial statements or the entity principally operates outside the United States?

Comment: We generally believe that issuers who are domiciled outside the US and who prepare filings using IFRS as issued by the IASB ought to be able to file in the US.

62. Are there other rules in Regulation S-X that should be specifically amended to accommodate our proposal? If so, how would the application of those rules be unclear if there were no changes to those rules, and what changes would be suggested in order to make them clear?

Comment: We do know of other rules that would require amendment.



63. Should an IFRS issuer be required to continue to comply with the disclosure requirements of FAS 69? What alternatives may be available to elicit the same or substantially the same disclosure? Proposed Rule 13-03(d) of Regulation S-X is modeled on an instruction relating to FAS 69 in Item 18 of Form 20-F. Does this proposed rule need to be modified in any way to more clearly require filers to provide information required by FAS 69?

Comment: We have no comment as we are not a producer of oil and gas.

64. Is the guidance in this proposal sufficient to avoid any ambiguity about the use of IFRS financial statements in exempt offerings? If not, what additional clarification is needed? Is any revision to forms or rules necessary?

Comment: We have no suggestions for clarification.

65. Are there other rules or forms under the Securities Act or the Exchange Act that should be specifically amended to permit the filing of financial statements prepared in accordance with IFRS as issued by the IASB? If so, how would the rules or forms be unclear if there were no changes to those forms, and what changes would be suggested in order to make them clear?

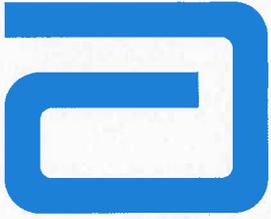
Comment: We are not aware of any.

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?

Comment: The Commission should determine the changed role and allocation of funding among stakeholders for an environment where US public companies will look to the IASC for standard setting rather than the FASB.

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?

Comment: We believe the Commission's analysis has addressed the likely benefits and costs for the implementation phase of IFRS, although we are unable to form a



conclusion as to the magnitude of these benefits and costs. On a longer-term basis, we believe audit costs may be higher under IFRS due the more extensive disclosures and due to the level of auditor expertise required in application of some IFRS standards. In addition, we believe it is possible that public issuers may be left to financially support the FASB even though they may also have to support the IASC. Further, for preparers, periodic interaction with the IASC could be considerably more expensive than current interactions with the FASB.

68. We solicit comment on whether the proposed rules would impose a burden on competition or whether they would promote efficiency, competition and capital formation. For example, would the proposals have an adverse effect on competition that is neither necessary nor appropriate in furtherance of the purposes of the Exchange Act?

Comment: As discussed above, there may be decreased competition for audit and audit related services if IFRS is adopted for public issuers while private companies follow FASB standards. This would be detrimental to issuers. We believe longer term it would be preferable and less costly for international commerce and capital formation if there is only one set of accounting standards.

69. Would the proposals create an adverse competitive effect on U.S. issuers that are not in a position to rely on the alternative or on foreign private issuers that do not report in IFRS?

Comment: While we are not affected by this question, we believe it will be disadvantageous for capital formation for companies that do not report using IFRS.

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

Comment: We believe that if the issues identified throughout the comments above were satisfactorily addressed, they would.

Sincerely,

Frank J. Loughery
DVP and Assistant Corporate Controller

FJL:ljs