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**Congress of the United States**  
**House of Representatives**  
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REPUBLICAN DEPUTY WHIP

REPUBLICAN POLICY COMMITTEE

REPUBLICAN STEERING COMMITTEE

April 28, 2009

Chairwoman Mary Shapiro  
Securities and Exchange Commission  
100 F Street, NE Room 10700  
Washington, DC, 20549

Dear Chairwoman Shapiro:

I am concerned about recent proposals outlined by the Securities and Exchange Commission requiring all American public companies adopt International Financial Reporting Standards (IFRS) and cease using Generally Acknowledged Accounting Principals (GAAP) by 2014.

The burdensome cost to business, dual national standards for public and private companies and lack of consistency associated with the transition to International Financial Reporting Standards are troubling. While public companies would operate under IFRS, private companies would not be subject to these new rules and would instead continue to use reporting standards determined by their individual state. All fifty states accept the Generally Acknowledged Accounting Principals and the National Association of State Boards of Accountancy (NASBA) has indicated that they would be unlikely to adopt IFRS. NASBA has articulated concerns over reporting to the International Accounting Standards Board, a non-U.S. organization, as would be required following IFRS implementation and has voiced its willingness to establish and fund an independent standard setting organization. The creation of a double standard between public and private companies would create confusion, as the reports of private companies would not be directly comparable to those of public companies.

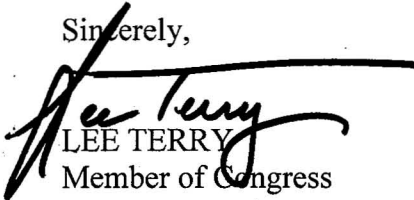
The SEC itself has estimated that switching to IFRS would cost each of the hundred and ten companies eligible for pre-2014 conversion, \$32 million. International companies who have made the conversion to IFRS report even higher numbers: the CEO of British Petroleum put his company's cost at \$100 million in the first year cost alone. Public and private businesses provide a vital foundation to our economy, employing millions of Americans. Added cost would only impede financial growth at a pivotal time.

While adopting IFRS would bring the United States into harmony with the reporting standards of a hundred other countries, thus in theory, making the US market more competitive and transparent, the implementation of the IFRS is highly variable. Many countries have

modified the standards, choosing to only apply certain provisions. Notably, the EU has adopted a jurisdictional variant of the IFRS. I would like to know how the cost to business, multiple standards and the varying application of IFRS are being addressed.

Thank you for your attention to this matter and I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Terry", with a long horizontal line extending to the right.

LEE TERRY  
Member of Congress