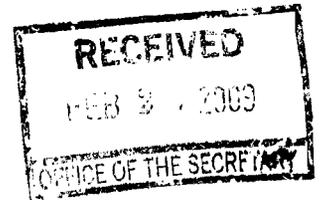


Florence E. Harmon  
Acting Secretary  
SEC Headquarters  
100 F Street, NE  
Washington, DC 20549-1090  
File# 57-27-08



February 9, 2009

Dear Madam:

Here are some comments relating to the Securities and Exchange Commission (SEC) road map for the transition by U.S. companies to the use of International Financial Reporting Standards (IFRS).

The International Accounting Standards Board (IASB) was established in January, 2001. The IASB issues IFRS. IFRS have been adopted in whole or in part by over 100 countries. The IASB does not have authority to enforce the International Financial Reporting Standards.

The IFRS is relatively untested. This is the first world wide recession under which it has been used. Since many countries are in the process of adapting IFRS and others only use a piece-meal approach, it will be only a partial test.

The IFRS is based on a principles approach, while the United States Generally Accepted Accounting Principles (GAAP) is a rules approach. The U.S. GAAP approach began with the Securities Acts of 1933 and 1934.

The long process of developing GAAP left some confusion as to the level of authority. The Financial Accounting Standards Board (FASB), in the United States, addressed this problem with the Codification Project. The Codification Project resulted in one source and one level of authoritative GAAP. The Codification will result in a single authoritative source of U.S. GAAP starting in the spring of 2009. This will substantially make it easier to determine U.S. GAAP.

The SEC voted, in December 2008, to require public companies to use interactive data for financial information (XBRL). This will require firms to disclose data in a format that allows investors to use more effectively. This will not require more disclosure.

There are significant differences determining "fair value" between U.S. GAAP and IFRS. These differences can effect the subprime meltdown. Is it in the U.S. interest to have this issue settled by the IFRS?

With the IFRS principles approach, a wider range of answers result within a single country. An even wider range of answers results between countries. Worldwide accounting standards (specific country) were developed to meet the specific domestic environment. Examples of influences on the specific country are litigious environment, rates of inflation, income tax conformity, and reliance on open markets.

We can expect IFRS to result in a wider variety of answers than the U.S. rules approach. The variety of answers will likely force IFRS to move toward a rules approach in order to achieve reasonable uniformity.

There would be billions and billions of dollars of cost for the United States to adopt the IFRS. Initially, the change would likely only effect firms reporting to the SEC. It would not be compatible for the U.S. to use IFRS for firms reporting to the SEC and U.S. GAAP for other firms. In short order, it would effect all types of firms, including private firms.

The change to IFRS would impact many aspects of the firm including tax, controls, technology, contracts, and compensation. It would also impact with compliance with Sarbanes-Oxley.

The tax implications could amount to billions of dollars. There are implications that the IRS would need to rule on and implications that Congress would need to address.

It has been reported that U.S. companies would have higher income under IFRS than under GAAP. This could result in billions of dollars of additional tax.

With the litigious environment in the United States, a principles approach to financial reporting would likely result in many suits. This approach could be the full employment act for lawyers.

The FASB and the IASB met in Norwalk, Connecticut in September, 2002. They agreed to work towards high-quality compatible accounting standards. This is known as the Norwalk Agreement. Since the Norwalk Agreement, there has been significant progress, but much remains unsolved.

In my opinion. There are significant issues to be resolved before there is a road map. Here are some of my suggestions:

- 1.) The FASB and the IASB should continue with the Norwalk Agreement. There remains significant outstanding issues.
- 2.) The IRS should address the tax issues and disclose the results of this review.
- 3.) The U.S.-Congress should address the tax issues that are under their control.
- 4.) The SEC should release a comprehensive cost benefit analysis.

It will take several years for these issues to be acted upon. I am sure that there are additional issues to be resolved..

The FASB rules approach could achieve reasonable comparability of financial information across global financial markets. In my opinion, comparability of financial information across global financial markets is not likely to be achieve following the IASB principals approach.

Sincerely,



Charles Gibson  
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Accounting, Professor Emeritus

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CC:

Senator Sherrod Brown  
Senator George Voinovich  
Congresslady Marcy Kaptur  
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