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Ms. Mary Schapiro, Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Dear Chairman Schapiro:

We are writing in response to the request for comment on the Securities and Exchange Commission's ("SEC") May 26, 2011 Staff Paper, *Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers: Exploring a Possible Method of Incorporation* ("Staff Paper").

The General Electric Company ("GE") has approximately 300,000 employees operating in more than 100 countries. More than half of our \$150 billion revenues in 2010 originated outside the United States. Our non-U.S. sales have grown from 36% of GE's revenues to nearly 55% in the last decade.

We believe that the SEC's primary mission as it relates to financial reporting is to ensure that investors in U.S. capital markets are provided with the best available information upon which to make fully informed investment decisions. This requires an unyielding commitment to the development of high quality accounting and financial reporting standards for use in our capital markets. We further believe that the value of those standards is enhanced when the core principles are the same as those in standards used by other issuers around the world. We therefore continue to support the goal of moving to a global set of high quality accounting standards as a means to improve the ability of investors to readily analyze and compare our reported results to those of our competitors. Over time, we also expect that increased comparability and transparency will facilitate further integration of global capital markets, improving market liquidity and lowering the cost of capital. The foundation and potential for success of this effort begins and ends with the quality of the standards and whether they result in financial reporting that best satisfies investor needs.

We commend the SEC staff's work on this matter and agree with many elements of the method of incorporation proposed in the Staff Paper. The phased conversion aspect of the approach is largely consistent with the modular approach we outlined in our 2009 comment

letter<sup>1</sup>. Importantly, we believe that this approach allows the U.S. infrastructure and capital markets to absorb and adapt to the reporting changes with the least amount of disruption. We also believe that the proposed endorsement mechanism is broadly consistent with our previously stated view that the U.S. must retain the ability to monitor, evaluate and, if necessary, intervene to ensure that new global standards meet the needs of U.S. stakeholders and capital markets.

In our 2009 letter, we also commented on matters of governance and oversight. With additions since that time, the IASB's governance framework and oversight procedures appear to be reasonable and appropriate. It is critical, however, to ensure that the process results in high quality accounting standards that are operational and capable of being cost-effectively and consistently applied. We believe the oversight bodies of the IASB should periodically evaluate and report on the effectiveness of the IASB as well as their own governance processes using detailed studies that provide insight into the quality of these accounting standards and the consistency of their application across geographies.

We fully support the Staff Paper's proposal to maintain a strong U.S. technical standard setting presence that would be involved in the IASB's deliberative process and have primary responsibility for endorsement of the resulting standards. We also believe that the endorsement process should be substantive, not perfunctory. Developing global standards that can be implemented successfully in the U.S. regulatory environment is challenging and requires a thorough, robust due process and attention to detail that may be perceived as unnecessary for other jurisdictions. The role of the FASB should be to provide that perspective during the development of IFRS standards and, to the extent necessary and appropriate, to modify them to meet U.S. requirements.

We believe that it is more likely that the FASB's role in the global standard setting process will be substantive if greater integration is achieved at the Board level. We therefore believe that the SEC should consider whether to recommend to the IFRS Foundation that the IASB members from the U.S. be selected from among the Members of the FASB. Several benefits could be derived from this approach:

- The IASB will benefit more directly from the resources and deep technical expertise of the FASB, as well as their experience with standard setting for the U.S. regulatory environment.
- The direct involvement of FASB Board Members in the IASB process will bring a deeper understanding of the needs of U.S. investors and a more informed view of application challenges by U.S. preparers to the IASB discussions.
- It would also enhance the understanding of the FASB as to the intent of the standards and improve the Board's effectiveness in performing its role as the U.S. interpretative / evaluative body.

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<sup>1</sup> GE's response to the request for comment on the SEC's proposed Roadmap

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- It would increase the likelihood that any potential concerns with respect to new standards would be resolved during the Board's normal deliberative process, rather than through a "non-endorsement" vote or U.S.-based amendment to the standard.

Importantly, FASB representation would help ensure that the Board remains intact and capable of resuming its role as our national standard setter if it is subsequently determined that the IFRS standards developed out of this process are not meeting the needs of U.S. investors.

We believe that the work that has been done to date to converge accounting standards has improved financial reporting around the world by increasing comparability of reported results in key areas. We further believe that the proposed method of incorporation outlined in the Staff Paper will result in continuing improvements and facilitate the convergence process. However, we must ensure that investors in U.S. capital markets continue to be provided with the best available information upon which to make fully informed investment decisions. We believe that this goal is best achieved through substantive integration of the Boards.

We appreciate the opportunity to provide our views and we look forward to the Commission's future deliberations. Please feel free to call me at (203) 373-2444 if you have any questions regarding this response.

Sincerely,

A handwritten signature in cursive script that reads "jamie s miller".

Jamie S. Miller