November 13, 2007

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

Reference File No. S7-20-07

Dear Ms. Morris:

We appreciate the opportunity to comment on the SEC's Concept Release entitled "Allowing U.S. Issuers to Prepare Financial Statements in Accordance with International Financial Reporting Standards".

1. Do investors, U.S. issuers, and market participants believe the Commission should allow U.S. issuers to prepare financial statements in accordance with IFRS as published by the IASB?

   *We fully support the move towards convergence of IFRS and U.S. GAAP. We believe that once this goal is fully achieved, investors, U.S. issuers and market participants will all benefit from reporting under a single set of high quality global financial reporting standards.*

   *However, we do not believe that U.S. issuers should be given the option to prepare financial statements in accordance with IFRS as published by the IASB. Unless it becomes mandatory for all U.S issuers to report under IFRS, no value would be added if certain U.S issuers prepared financial statements using IFRS, while others used U.S. GAAP. Accepting two reporting standards, without full convergence of the two, will diminish the comparability that exists among U.S. issuers and would lead to greater inconsistency within the current U.S. market place.*

2. What would be the effects on the U.S. public capital market of some U.S. issuers reporting in accordance with IFRS and others in accordance with U.S. GAAP? Specifically, what would be the resulting consequences and opportunities, and for whom? For example, would capital formation in the U.S. public capital market be better facilitated? Would the cost of capital be reduced? Would comparative advantages be conferred upon those U.S. issuers who move to IFRS versus those U.S. issuers who do not (or feel they can not)? Would comparative advantages be conferred upon those investors who have the resources to learn

two sets of accounting principles (IFRS and U.S. GAAP) as compared to those who do not?

*The effect on the U.S. public capital market of some U.S. issuers reporting in accordance with IFRS and others in accordance with U.S. GAAP would be a lack of comparability among U.S issuers, making it more difficult for investors to engage in smart investment decisions. This would create uncertainty and confusion. Capital formation in the U.S public market would not be better facilitated because investors would be at a disadvantage. Investors and market participants would have to be able to understand both IFRS and U.S. GAAP in order to adequately compare among U.S. issuers. This may lead to an increase in the cost of capital to compensate for the extra work involved in this process. There would be comparative advantage upon those U.S. issuers who continue to use U.S. GAAP. There would also be a comparative advantage upon those investors who have the resources to learn both principles to be better equipped to make investment decisions as compared to those who do not.*

3. What would be the effects on the U.S. public capital market of not affording the opportunity for U.S. issuers to report in accordance with either IFRS or U.S. GAAP? Specifically, what would be the resulting consequences and opportunities, and for whom? Would capital formation in the U.S. public capital market be better facilitated? Would the cost of capital be reduced? Alternatively, are there certain types of U.S. issuers for which the Commission should not afford this opportunity?

   *See response to Question #2 above.*

4. To what degree would investors and other market participants desire to and be able to understand and use financial statements of U.S. issuers prepared in accordance with IFRS? Would the desire and ability of an investor to understand and use such financial statements vary with factors such as the size and nature of the investor, the value of the investment, the market capitalization of the U.S issuer, the industry to which it belongs, the trading volume of its securities, or any other factors?

   *If the Commission were to mandate the switch to IFRS for all U.S issuers, investors and market participants would desire the ability to understand and use these financial statements in order to make appropriate investment decisions and maintain their level of opportunities in the market. We would expect that the more significant the investment to an investor's portfolio, the greater the desire to understand the financial statements of a U.S issuer. We believe that there is a* *lack of expertise in understanding IFRS today. In order to ensure that investors, auditors, and companies are ready to utilize the principles under IFRS, a timetable should be established to ensure that all affected parties can plan accordingly. We suggest that a timeline of no less than 5 years is appropriate for plans to be established, knowledge to be shared, as well as systems and policies to be implemented and enforced.*

5. What immediate, short-term or long-term incentives would a U.S. issuer have to prepare IFRS financial statements? Would the incentives differ by industry segment, geographic location of operations, where capital is raised, other demographic factors, or the aspect of the Commission's filing requirements to which the U.S. issuer is subject?

   *A U.S. issuer in an industry segment where a majority of its competitors are preparing their financial statements using IFRS will have a greater incentive to do so to remain competitive with its peer group. In addition, multinational U.S. issuers with subsidiaries in several different geographic locations will have a greater incentive to prepare consolidated IFRS financial statements since many of these subsidiaries may already be preparing and filing their local financial statements in accordance with IFRS. As a result, the U.S. issuer may incur lower costs in preparing their consolidated statements using IFRS. Another incentive for a U.S. issuer to prepare IFRS financial statements relates to obtaining financing outside the U.S. There would be a strong incentive and potential regulatory requirement to present financial information under IFRS. Conversely, a U.S. issuer that raises its capital solely in the U.S. based on U.S. GAAP financial measures may not have an immediate incentive to prepare financial statements in accordance with IFRS.*

6. What immediate, short-term or long-term barriers would a U.S. issuer encounter in seeking to prepare IFRS financial statements? For example, would the U.S. issuer's other regulatory (e.g., banking, insurance, taxation) or contractual (e.g., loan covenants) financial reporting requirements present a barrier to moving to IFRS, and if so, to what degree?

   *A significant barrier that a U.S. issuer would encounter in seeking to prepare IFRS financial statements is the cost and time involved in changing their accounting principles from U.S GAAP to IFRS. A U.S issuers' other regulatory or contractual financial reporting requirements (e.g. bank covenants) would also present an obstacle because they may include financial measures based on U.S. GAAP. In addition, there would be a significant cost to training staff to prepare financial statements under a new basis and record transactions in compliant* *systems in accordance with IFRS. Another barrier that exists is the current lack of capability and knowledge resident in the auditing firms; a significant amount of training would need to occur in order to ensure that the staff are fully trained in IFRS.*

7. Are there additional market forces that would provide incentives for market participants to want U.S. issuers to prepare IFRS financial statements?

   *The most significant market force that would provide incentive for market participants to want U.S. issuers to prepare IFRS financial statements is the increasing number of non-U.S. companies using IFRS and competing with U.S. companies in the same markets. Market participants will want to be able to compare the U.S. issuers' financial results more efficiently with those of their competitors.*

8. Are there issues unique to whether investment companies should be given the choice of preparing financial statements in accordance with IFRS? What would the consequences be to investors and other market participants of providing investment companies with that choice?

   *We do not support establishing unique guidelines for any particular type of company and therefore, do not believe that investment companies should be governed by different rules. In addition, the definition of which entities would qualify as an investment company would increase the complexity.*

9. Would giving U.S. issuers the opportunity to report in accordance with IFRS affect the standard setting role of the FASB? If so, why? If not, why not? What effect might there be on the development of U.S. GAAP?

   *Giving U.S issuers the opportunity to report in accordance with IFRS will have an impact on the standard setting role of the FASB as the IASB will become the standard setting authority. As long as there is an option to select either method, we anticipate that U.S. companies will likely continue to report under U.S. GAAP and as a result, the FASB's role in standard setting would continue.*

10. What are investors', issuers' and other market participants' opinions on the effectiveness of the processes of the IASB and the FASB for convergence? Are investors and other market participants satisfied with the convergence progress to date, and the robustness of the ongoing process for convergence?

*The processes of the IASB and the FASB for convergence seem to be moving along effectively. The two standard setting bodies have been working closely together on several major projects, specifically the implementation of FAS 141(R), Business Combinations, and other "short-term convergence" areas. The convergence process is very time consuming and the required alignment of the standard setters has caused delays in issuance of accounting standards.*

11. How would the convergence work of the IASB and the FASB be affected, if at all, if the Commission were to accept IFRS financial statements from U.S. issuers? If the Commission were to accept IFRS financial statements from U.S. issuers, would market participants still have an incentive to support convergence work?

    *The decision made by the Commission to accept IFRS financial statements by U.S. issuers could ultimately slow the progress made in convergence and does not in and of itself further the development of a single set of globally accepted accounting standards. However, we believe the collaboration between the IASB and FASB and the pressures of a global economy will continue to lead towards increasing convergence.*

12. If IFRS financial statements were to be accepted from U.S. issuers and subsequently the IASB and the FASB were to reach substantially different conclusions in the convergence projects, what actions, if any, would the Commission need to take?

    *If the IASB and the FASB were to reach substantially different conclusions in the convergence projects, since the Commission and FASB do not have oversight of the IASB, the Commission would have to assess financial statements in accordance with the respective standard setter's conclusions. We consider this unlikely, but is a risk in accepting IFRS Financial Statements.*

13. Do investors, issuers and other market participants believe giving U.S. issuers the choice to prepare financial statements in accordance with IFRS as published by the IASB furthers the development of a single set of globally accepted accounting standards? Why or why not, and if so, how?

    *See response to Question #11 above.*

14. Are investors, U.S. issuers and other market participants confident that IFRS have been, and will continue to be, issued through a robust process by a stand-alone standard setter, resulting in high quality accounting standards? Why or why not?

*We believe that U.S issuers and other market participants are not familiar enough with the performance of the IASB to determine whether the process by which IFRS are publicized is sufficiently robust to guarantee high quality standards. We are also unclear as to the auditing and enforcement disciplines of IFRS as compared to U.S. GAAP. Furthermore, the IASB's credibility is tested by the fact that it has only been in practice for five years.*

15. Would it make a difference to investors, U.S. issuers and other market participants whether the Commission officially recognized the accounting principles established by the IASB?

    *Investors, U.S. issuers and other market participants would all be affected by the Commission officially recognizing the accounting principles established by the IASB. This recognition would give creditability to IFRS and establish awareness among constituents. U.S. issuers would have to undergo a transformation process to begin reporting under IFRS. Likewise, auditing firms would have to invest in the necessary procedures to prepare for auditing financial statements prepared using IFRS. In addition, investors will have more of an incentive to understand IFRS to be better able to make effective comparisons among companies.*

16. What are investors', U.S. issuers' and other market participants' views on how the nature of our relationship with the IASB, a relationship that is different and less direct than our oversight role with the FASB, affects the Commission's responsibilities under the U.S. securities laws?

    *The Commission has a responsibility under the U.S. securities laws to protect the investors in the U.S. market and the legal authority to set accounting standards for financial statements filed with the Commission, which it has delegated for the most part to the FASB. Since the IASB is working together with the FASB on converging IFRS and U.S. GAAP, the Commission should continue to develop its relationship with the IASB since the result of its efforts will affect U.S. issuers and thus impact investors in the U.S. market. Ultimately and if we are to have one set of global reporting standards, the SEC should expect to have a seat on the Board that oversees the development of these standards. However, neither the SEC nor any other Representative on the Board should expect to have a veto power. The SEC would continue to have its enforcement powers over U.S. Registrants.*

17. In what ways might the Commission be able to assist in improving investors' ability to understand and use financial statements prepared in accordance with IFRS?

    *The Commission might be able to assist in improving investors' ability to understand and use financial statements prepared in accordance with IFRS in several ways. They may provide training seminars and publications to companies and investors. The Commission may also collaborate with colleges and universities to incorporate IFRS into their curriculum and advocate that IFRS be included in the Uniform CPA Examination. In addition to the Commission, we believe that the auditing firms will be in a unique position to provide training to their clients since they will be experiencing the implementation of IFRS across many industries and geographies.*

18. What are the incentives and barriers to adapting the training curricula for experienced professionals to address both IFRS and U.S. GAAP? Separate from ongoing training, how long might it take for a transition to occur? How much would it cost?

    *The incentive to adapting the training curricula for experienced professionals to address both IFRS and U.S. GAAP would result in more experienced professionals having the ability to work with either reporting system. This is an opportunity to take a lead role in shaping the curricula that will be used for professionals into the future. We believe that opportunities and competitive advantage will increase, specifically in financial reporting, for the professionals who have knowledge of both methods. The barriers to adapting the training curricula for experienced professionals to address both IFRS and U.S. GAAP is the uncertainty surrounding the effective date, the fact that more than one version of IFRS exists and the cost and time involved, especially for professionals whose collegiate education and work experience had only provided them with knowledge of U.S. GAAP*.

19. What are the incentives and barriers relevant to the college and university education system's ability to prepare its students for a U.S. public capital market in which U.S. issuers might report under IFRS? What are the incentives and barriers relevant to changing the content of the Uniform CPA Examination? How should the Commission address these incentives and barriers, if at all?

    *The incentives relevant to the college and university education system's ability to prepare its students for a U.S. public capital market in which U.S. issuers might report under IFRS is that students would be more attracted to attend a college* *that provides the education that would adequately prepare them for a future in the current market. The barrier facing the colleges and universities would again be the lack of a mandatory implementation date and the cost involved in transforming the education system to include IFRS, including the training of their professors who had not previously been exposed to this reporting system. Changing the content of the Uniform CPA Examination will further encourage universities to include IFRS in their education system and it will result in professionals being better prepared for a position in the current market. The barrier to changing the content of the Uniform CPA Examination would require significant cost to revise all the training materials, the exam itself and to provide training for its instructors. This incremental expense for the administration of the exam would end up falling on candidates who take the exam. The Commission should become involved in encouraging the colleges and universities as well as the state CPA Examination boards to move towards integrating IFRS into their current systems.*

20. What issues would be encountered by U.S. issuers and auditors in the application of IFRS in practice within the context of the U.S. financial reporting environment?

    *The most significant issue that would be encountered by U.S. issuers and auditors in the application of IFRS in practice within the context of the U.S. financial reporting environment would be the lack of expertise in the area of IFRS and the cost of training necessary to achieve the level of knowledge required to operate under a new reporting system.*

21. How do differences between IFRS and U.S. GAAP bear on whether U.S. issuers, including investment companies, should be given the choice of preparing financial statements in accordance with IFRS?

    *Due to the number of differences between IFRS and U.S. GAAP, we do not believe that U.S. issuers should be given the choice to prepare financial statements in accordance with IFRS. It would only be beneficial to all parties involved if the Commission were to mandate that all U.S. issuers use IFRS.*

22. What do issuers believe the cost of converting from U.S. GAAP to IFRS would be? How would one conclude that the benefits of converting justify those costs?

    *We are unable to estimate the cost of converting from U.S. GAAP to IFRS, but are certain that it would be significant. The factors contributing to the cost would include additional training, resources, investment in new systems, etc. The* *benefits of converting would justify the costs if it leads to having a set of high quality, global accepted accounting standards that are reported and understood by investors and constituents.*

23. Would audit firms be willing to provide audit services to U.S. issuers who prepare their financial statements in accordance with IFRS? How, if at all, would allowing U.S. issuers to prepare IFRS financial statements affect the current relative market shares of audit firms?

    *Audit firms would need to evaluate the cost-benefit of providing audit services to U.S. issuers who prepare their financial statements in accordance with IFRS. They would have to change the elements of their systems of quality control and issue new policies and procedures. They would also have to invest in a significant amount of training for their professional staff to ensure that their level of knowledge of IFRS is substantial enough to provide for high quality audits. Allowing U.S. issuers to prepare IFRS financial statements would affect the current relative market share of audit firms in that smaller audit firms would face a challenge in the cost of the investments necessary to remain competitive with the larger firms possessing the resources to provide audit services to U.S. issuers who prepare their financial statements in accordance with IFRS. In addition, large, multi-national audit firms would have the ability to leverage the expertise of their foreign offices in aiding their conversion to IFRS.*

24. What factors, if any, might lead to concern about the quality of audits of IFRS financial statements of U.S. issuers?

    *We believe that the Big Four Firms, with their global reach, will be best equipped with professional staff holding the level of knowledge appropriate to perform audits of U.S. issuers that apply IFRS, and that their opinion on financial statements prepared under IFRS would be seen as equivalent to their opinion on financial statements prepared under U.S. GAAP.*

25. Would any amendments or additions to auditing and other assurance standards be necessary if U.S. issuers were allowed to prepare IFRS financial statements?

    *We believe that the auditing firms would be in a better position to answer this question.*

26. How could global consistency in the application of IFRS be facilitated by auditors of U.S. issuers?

*Auditors of U.S. issuers will need to take advantage of leveraging knowledge of international colleagues who are already auditing under IFRS. In contrast to the regulators, who are focused on one region, the auditing firms will be in a position to provide perspectives of their clients across multiple geographies. This knowledge could assist and speed the implementation process.*

27. Do you think that the information sharing infrastructure among securities regulators through both multilateral and bilateral platforms will improve securities regulators' ability to identify and address inconsistent and inaccurate applications of IFRS?

    *We believe that the regulators would be in a better position to answer this question.*

28. If the Commission were to consider rulemaking to allow U.S. issuers to prepare IFRS financial statements, are there operational issues relative to existing Commission requirements on which additional guidance would be necessary and appropriate? Would it be appropriate to have differing applicability for U.S. issuers of the form and content provisions of Regulation S-X depending on whether they use IFRS in preparing their financial statements? Are there operational or other issues unique to investment companies? In preparing and auditing IFRS financial statements, should U.S. issuers and their auditors consider the existing guidance related to materiality and quantification of financial misstatements?

    *We do not believe we are in the best position to comment on operational issues relative to existing Commission requirements.*

29. Should there be an accommodation for foreign issuers that are not foreign private issuers regardless of whether the Commission were to accept IFRS financial statements from U.S. issuers? Should any accommodation depend upon whether the foreign issuer is subject to the laws of another jurisdiction which requires the use of IFRS, or if the issuer had previously used IFRS financial statements in its filings with the Commission?

    *As stated earlier, no accommodation should be made for different groups of constituents. Consistent adoption and application of IFRS is the only way of ensuring comparability and success of implementation.*

30. Who do commenters think should make the decision as to whether a U.S. issuer should switch to reporting in IFRS: a company's management, its board of

directors or its shareholders? What, if any, disclosure would be warranted to inform investors of the reasons for and the timing to implement such a decision? If management were to make the decision to switch to IFRS, do investors and market participants have any concerns with respect to management's reasons for that decision?

*We believe that the Commission should make the ultimate decision as to whether U.S. issuers should switch to IFRS and this transformation should be mandatory for all U.S. issuers in order to be beneficial. If a company's management, or its board of directors, had the discretion to make such a decision, investors and market participants could have significant concerns as to the reasons guiding such a decision. Companies would be compelled to endure a great deal of scrutiny regarding their thought process for this change. Just as shareholders do not vote on U.S. GAAP policy application, they are not in an appropriate position to make determinations with respect to the switch to reporting under IFRS.*

31. When would investors be ready to operate in a U.S. public capital market environment that allows the use of either IFRS or U.S. GAAP by U.S. issuers? When would auditors be ready? How about those with other supporting roles in the U.S. public capital market (e.g., underwriters, actuaries, valuation specialists, and so forth)? Is this conclusion affected by the amount of exposure to IFRS as it is being applied in practice by non-U.S. issuers?

    *As we stated earlier, a mandatory effective date needs to be established for the adoption of IFRS by U.S. issuers. An aggressive yet attainable timetable should be determined so that those affected will ensure that appropriate resources and attention are given to the implementation. We do not believe this can be less than 5 years, but if it is longer than 10 years, we do not believe there will be sufficient, immediate incentive to focus on the planning necessary to transition.*

32. Should the Commission establish the timing for when particular U.S. issuers could have the option to switch from preparing U.S. GAAP to IFRS financial statements? Should market forces dictate when a U.S. issuer would make the choice to switch from U.S. GAAP to IFRS financial statement reporting? If the former, what would be the best basis for the Commission's determination about timing?

    *We believe the Commission should establish a mandatory effective date, if any, for all U.S. issuers to switch from preparing U.S. GAAP to IFRS financial statements. If the timing is left to the discretion of the U.S issuers, it will result in a vast inconsistency across the U.S. market. If, however, the timing of this* *transition was standard across the board, all parties involved (U.S. issuers, investors, auditors, and other market participants) will be engaged in the transformation process simultaneously, thereby eliminating further perplexity. This would establish consistency among the U.S. market. As stated in Question #31 we believe that a timetable of no less than 5 years is appropriate.*

33. Should the opportunity, if any, to switch to IFRS reporting be available to U.S. issuers only for a particular period of time? If so, why and for what period? At the end of that period of time, could commenters foresee a scenario under which it would be appropriate for the Commission to call for all remaining U.S. issuers to move their financial reporting to IFRS?

    *See response to Question #32 above.*

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

    *U.S. issuers may experience some difficulties in applying IFRS 1's requirements on first-time adoption of IFRS, including the requirements for restatement of and reconciliation from previous years' U.S. GAAP financial statements. Some issuers may lack the resources and level of expertise of the differences between U.S GAAP and IFRS necessary to prepare these statements. Additionally, consulting with peer companies would not be a useful resource for this matter, since all U.S issuers would be undergoing this process concurrently. Once a workplan is established, companies can start preparing financial statements under the new basis in parallel with U.S. GAAP. By implementing this approach, the financial statements will be ready for conversion at the time of the effective date.*

35. Would it be appropriate for U.S. issuers that move to IFRS to be allowed to switch back to U.S. GAAP? If so, under what conditions?

    *It would not be appropriate for U.S. issuers that move to IFRS to be allowed to switch back to U.S. GAAP as this could only lead to further inconsistency. A decision such as this one should be irrevocable.*

In summary, there is currently no incentive for us to select the option to adopt IFRS for our financial statements and we are confident that companies within our peer group would not make the election either. As stated in our response, we believe that the only way to ensure consistent application and reporting under IFRS is to mandate it for all issuers. We support the movement to one set of globally accepted standards although there is further work that must be done in order to achieve convergence.

We appreciate the opportunity to express our views and would be pleased to discuss our comments. Please do not hesitate to contact me at (914) 253-3406.

Sincerely,

Peter Bridgman.

Peter A. Bridgman
Senior Vice President and
Controller

cc: Richard Goodman, Chief Financial Officer
Marie T. Gallagher, Vice President & Assistant Controller