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April 15, 2007

Financial Accounting Standards Board
Norwalk, CT 06856-5116
By e-mail to director@fasb.org



LETTER OF COMMENT NO. 37

Re: Invitation to Comment: Valuation Guidance for Financial Reporting
File Reference No. 1520-100

Dear Sir:

This submission has been written at the request of the Members of The American Institute of Minerals Appraisers (AIMA) and its President. AIMA welcomes the opportunity to respond to the Invitation to Comment (ITC): Valuation Guidance for Financial Reporting. We are providing some general comments before responding to the specific questions raised in the ITC.

General Comments

The AIMA, formed in 1991, provides Certification of its Members as Certified Minerals Appraisers for the valuation of minerals and petroleum properties. In conducting and reporting valuations, its Members are required to abide by either the USA's Uniform Standards of Professional Appraisal Practice (USPAP) or the International Valuation Standards (IVSs) of the International Valuation Standards Committee (IVSC).

In 1999, our standards committee conducted a thorough investigation of the possibility of developing a minerals and petroleum industry valuation standard for the USA, in line with the minerals valuation standards development projects being undertaken at the time in Australia and Canada. We abandoned this project due to our Officers being opposed to the possible proliferation of national valuation standards around the world, and due to the technical difficulties of developing and maintaining comprehensive minerals valuation standards. At the AIMA's 2004 Annual Meeting, our members formally endorsed the work of the IVSC in developing and publishing the IVSs, including valuation standards for the extractive industries of minerals and petroleum.

The pressure for global convergence of standards and regulations, particularly for financial reporting, are nowhere more evident than in the minerals and petroleum industries. Completion of the convergence of US GAAP and the International Financial Reporting Standards (IFRSs) will greatly benefit these two industry sectors. Similarly, we must work towards having only one set of global valuation standards. The IVSs are the only valuation standards that can fulfil this role. The IVSC, particularly after its 2007 restructuring, is the only body in the world that is suited to maintaining, improving, and supporting such standards.

Responses to Questions Posed in the ITC

Question 1 – Is There a Need for Valuation Guidance Specifically for Financial Reporting?

Supplemental interpretative and implementation guidelines are needed for financial reporting, as is provided in the IVSs. Separate valuation standards are not needed. The fundamental principles and concepts of valuation standards have broad application across a multitude of purposes and uses of valuations.

Question 1 (a) – Should valuation guidance include conceptual valuation guidance, detailed implementation guidance, or a combination of both?

Valuation standards should be principles-based, similar to what the IASB and FASB are working towards for financial reporting standards. Carefully limited supplemental best practice guidelines have a role for difficult niche areas, which is why an IVSC minerals and petroleum expert task force has developed such for the minerals and petroleum industries. However, detailed implementation guidelines should remain the domain of textbooks and educators, to prevent these from constraining advancement of professional practice.

Question 1 (b) – What should be the duration of any valuation guidance setting activities?

Due to the continual evolution of industries, markets, and financial instruments, standards development is a continuing process with no fixed life.

Question 2 – What level of participation should existing appraisal organisations have in establishing valuation guidance for financial reporting?

As has been done by the IVSC Extractive Industries Task Force, valuation standards should be developed by bringing together the best valuation experts available globally, independent of appraisal organizations. Politics and organization missions must be kept out of the standards development and standards maintenance process. The restructuring of the IVSC is designed to enhance its technical capabilities to develop and maintain high-quality standards.

Question 3 – What process should be used for issuing valuation guidance for financial reporting?

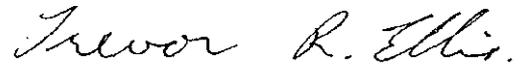
We recommend that the process of setting valuation standards and guidance for financial reporting be undertaken at the international level to ensure consistency and reduce the need for future convergence of various national standards and professional requirements at a later date. This is the obvious appropriate role for the IVSC. Enforcement can remain at the national level.

Question 4 – Should the process of valuation guidance be on an international or national level?

For global industries such as the minerals and petroleum industries, it is absolutely essential that valuation standards be international, not national. Our experience demonstrates that it is impossible

to have national standards without there being inconsistencies between nations. We strongly recommend that FASB rely on and endorse the restructured IVSC for provision of uniform global valuation standards for valuation of all property types, and particularly those of the minerals and petroleum industries.

Sincerely,

A handwritten signature in cursive script that reads "Trevor R. Ellis".

Trevor R. Ellis
AIMA Certified Minerals Appraiser
For Robert B. Frahme
AIMA President