

## Michael Starkie

Group Vice President & Chief Accounting Officer



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Ms. Suzanne Bielstein
Director of Major Projects and Technical Activities
Financial Accounting Standards Board
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LETTER OF COMMENT NO. 26

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Dear Ms. Bielstein

Re: File Reference No. 1520-100

BP p.l.c. appreciates the opportunity to respond to the FASB's Invitation to Comment, "Valuation Guidance for Financial Reporting."

As a general principle, we support proposals that improve the comparability of reported financial results of companies. We recognize that the FASB needs to consider the practical application of fair value measurement, in particular to non-financial assets and liabilities, in future deliberations on extending the use of fair value. However, at this time, we do not believe further guidance is needed. In situations where fair value is currently required, we believe SFAS 157 provides sufficiently clear principles. Many of the fair value measurement issues, such as reliability, are, in our view, linked to any decision to extend the use of fair value in financial reporting. At a time when the FASB and the IASB are working together towards convergence, we believe it is undesirable for the FASB to produce further detailed guidance which could hamper the debate about the purpose and measurement of fair value in financial statements.

We therefore urge the FASB to collaborate with the IASB in all new endeavors, including the use and measurement of fair value. Joint deliberations foster international consensus, eliminate the potential for GAAP differences, implementation timing differences, and the need for further effort to achieve the shared convergence objective of both the FASB and IASB.

Yours sincerely

F W M STARKIE