

January 31, 2011

Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

File Reference No. 1890-1000

Subject: FASB Discussion Paper: Effective Dates and Transition Methods

Dear FASB Technical Director:

Bristol-Myers Squibb Company (BMS) appreciates the opportunity to comment on this discussion paper. We are a New York Stock Exchange registrant, engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of pharmaceutical products on a global basis. Our 2009 annual sales approximated \$19 billion; equity approximated \$15 billion; and we employ approximately 28,000 people globally.

BMS will be significantly impacted by the proposed accounting standards as evident by the following:

Financial Instruments

BMS maintains several billion dollars in marketable securities within our investment portfolio and executed multiple derivative instruments to manage risk associated with intercompany and other transactions denominated in foreign currency as well as to protect against fluctuating foreign currencies. We expect to spend a significant amount of time implementing the Financial Instruments exposure draft across our various instruments.

Revenue Recognition

A significant portion of our revenue is derived from alliances and collaboration agreements. These agreements include long-term licensing arrangements dictating revenue sharing; R&D expense sharing; upfront & milestone payments; and multiple future contingent performance obligations. We expect to spend a significant amount of time to develop processes, policies, and models to identify performance obligations for each agreement to support the related revenue recognition.

Leases

BMS annual rent expense approximates \$160 million which is derived from hundreds of operating leases held throughout 200+ BMS legal entities. We expect to spend a substantial amount of time and cost to inventory all leases, calculate the right of use asset and related liability for all periods presented, reassess prior sale leaseback transactions and implement a new accounting system in order to continuously monitor and reassess lease terms and related right-of-use asset and corresponding liability for all leases.

Financial statement presentation

We expect a significant amount of time and cost will be required to overhaul financial statement reporting systems and ledgers to accommodate the proposed financial statement presentation and disclosure requirements. This will include the re-coding of financial statement information; re-formatting of multiple system generate financial reports; educating the entire finance community as well as internal

management on the new financial statement presentation and related account processing/coding required to facilitate such presentation.

Adoption Method

We support a “single date approach” for the adoption of the new accounting standards as it would be overall less confusing to financial statement users. Advantages to such an approach would limit restatements of prior period financial statements, supplement analyst packages and financial models, thereby limiting the overall confusion, especially for non-accountants, associated with continuously changing results. Disadvantages to this approach include the significant work load and resources required by each registrant for the single date adoption approach.

We believe the prospective application method should be applied for the adoption of all standards. We realize this would limit the comparability of data but believe it would be a more realistic approach considering the magnitude of new accounting pronouncements and related effort required to implement such standards. Further, we believe financial statement users would be more interested in operating results in the period of adoption and the impact the new standards will have on future operating results as opposed to the adoption impact on historic performance. Therefore, it would be more cost beneficial for companies to extend their efforts to implement such standards in the year of adoption and guide financial statement users to the possible impact the new disclosures will have future operations due to changes in policies, significant judgment and estimates, etc. as opposed to spending considerable effort in restated prior period financial information and explaining to users why past results have changed.

We believe companies will require a minimum of 3 years to prepare for and implement all pronouncements subsequent to the adoption of such standards considering the time necessary in, amongst others:

- understanding and accessing all accounting pronouncements and updating internal accounting policies and procedures;
- upgrading general ledger systems to meet presentation requirements of the financial statement exposure draft;
- training internal management and the general finance community on the adoption the new accounting pronouncements and the impact on current and future financial statement results;
- implementing new accounting systems, including a new lease sub-ledger, and recoding data and financial statement schedules to support new disclosure requirements;
- inventorying all existing leases and recalculating the right of use assets and corresponding liabilities as well as reconsidering prior period accounting of past sale-lease back transactions in support of the lease exposure draft;
- updating Sarbanes-Oxley 404 documentation for all system and process changes

Overall, costs in both time and dollars are expected to be significant.

Other Implications

Additional impacts to the broader financial reporting systems arising from these new standards include:

- Possible additional book/tax differences that will need to be assessed and accounting methodologies would need to be applied to such differences.
- Renegotiation of pre-existing financial debt covenants that were based upon operating income or other previous U.S. GAAP measures would be required. Companies may be put at a financial disadvantage when “re-opening” negotiations with financial institutions or they may be required to maintain separate sets of books and records maintained under “old” US GAAP” in order to not be in violation of their debt covenants.

Early Adoption

We believe that the FASB and IASB should discourage early adoption considering the exposure drafts wide-ranging impact. Due to the volume of changes required upon adoption, we believe all companies should spend ample time analyzing and implementing the new standards and also allow for the issuance of interpretive guidance related to the proposed standards from regulatory agencies, major accounting and law firms and industry groups. Rushing into early adoption could lead to significant errors upon adoption which will be subsequently followed by those companies not early adopting. Furthermore, early adoption would prevent operating results to be comparable with competitors.

IFRS Considerations

We believe the FASB and IASB should be aligned with the convergence standards' adoption dates and transition methods since not doing so deviates from the general principals of convergence of creating one global accounting standard. In addition, we believe the FASB must consider the future adoption timeline of US GAAP's transition to IFRS when concluding on the convergence standards' adoption timeline. The U.S.' adoption of IFRS, if it occurs, will in itself be a monumental task with its own set of adoption issues. Two major accounting transformations within a short period of time (adoption of convergence standards and IFRS) will cause a significant amount of confusion within the investment community due to continuous re-basing of financial data in addition to stretching the resources of all registrants. One overall IFRS and convergence adoption would limit investor confusion, reduce the risk of adoption errors and continuous restatements and lessen the burden on all companies.

Sincerely,

Joseph Reilly

Director Reporting and Consolidations

CC: Joseph Caldarella
Senior V.P. and Corporate Controller