

Ford Motor Company

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Technical Director -- File Reference No. 2012-240 Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

VIA EMAIL: director@FASB.org

File Reference: Comments on Exposure Draft, Comprehensive Income (Topic 220) – Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income

Ford Motor Company ("Ford"), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. Ford Motor Credit Company LLC ("Ford Credit"), an indirect, wholly-owned subsidiary of Ford, is one of the world's largest automotive finance companies. We file consolidated financial statements with the SEC reflecting two business sectors, Automotive and Financial Services. Ford Credit also files financial statements as a separate SEC registrant.

We support your proposal to move away from requiring the presentation of reclassification adjustments out of Accumulated Other Comprehensive Income ("AOCI") on the face of the financial statements. We appreciate the Board's effort to address preparers' concerns regarding the operational challenges and costs associated with the previous proposal.

We strongly recommend that the Board allow preparers flexibility in determining the format for presenting reclassification adjustments out of AOCI rather than prescribing specific tabular formats. We acknowledge that uniformity of presentation is desired in order to achieve comparability among entities. However, we offer two observations:

- First, we believe that requiring information that may otherwise be available in other footnotes will
 result in unnecessary redundancies, and perhaps add confusion to the users of the financial
 statements. We believe that when the amounts are available elsewhere in the financial
 statements, preparers should have the option to cross-reference the related footnote as an
 alternative to the prescribed format.
- 2. Second, the proposed table formats add confusion; the Changes in Accumulated Other Comprehensive Income by Component table in paragraph 220-10-55-15 is designed to read horizontally and the Reclassifications out of Accumulated Other Comprehensive Income table in paragraph 220-10-55-17E is designed to read vertically. We have received comments that inconsistent layouts of similar or related information makes it more challenging for readers of our financial statements. We suggest that if the final standard requires two tables and a prescribed format, the format is made consistent between the tables.

We offer the format in the attachment as one alternative presentation that includes all of the required information, but in a single table. The attached footnote is based on the AOCI footnote we published in our March 31, 2012 and June 30, 2012 Form 10-Qs. We believe the proposed alternative contains all the information required and is in a reader-friendly format.

Separately, we encourage the members of the FASB and IASB to agree on the conceptual purpose for OCI, including the precise components of OCI (i.e., whether items such as defined benefit plan amendments should be included), and how these components should be released (i.e., whether items should be recycled through income or recorded directly to retained earnings).

We appreciate your consideration of our comments.

Sincerely,

Susan M. Callahan

Manager, Global Accounting Policies & Special Studies



ATTACHMENT

NOTE X. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The following table summarizes the changes in the components of accumulated other comprehensive income/(loss) ("AOCI") for the six months ended June 30 (in millions):

		First Half		
		2012		2011
Foreign currency translation Beginning balance Net gain/(loss) on foreign currency translation (net of tax of \$0 and \$0) Reclassifications to net income (net of tax of \$0 and \$0) (a)		(1,383) (255)	\$	(665) 844 (6)
Other comprehensive income/(loss), net of tax		(255)		838
Ending balance		(1,638)	\$	173
Derivative instruments Beginning balance		(181) (251)	\$	(29) 167
Foreign exchange contracts (net of tax of \$51 and tax benefit of \$3) (b)		99		(33)
Commodity contracts (net of tax of \$0 and tax of \$0) (b)				134
Ending balance		(333)	\$	105
Pension and other postretirement benefits: Beginning balance Prior service cost arising during the period (net of tax of \$0 and \$0) Net gain/(loss) arising during the period (net of tax of \$0 and \$0) Amortization of prior service cost included in net income (net of tax benefit of \$54 and tax of \$5) (c)		(17,170) — — — (82)	\$	(13,617) (45) — (101)
Amortization of gain/(loss) included in net income (net of tax of \$151 and \$21) (c)		331 (36)		389 (138)
Translation impact on non-U.S. plans (net of tax of \$0 and \$0)				105
Other comprehensive income/(loss), net of tax		213	72	
Ending balance	\$	(16,957)	\$	(13,512)
Net holding gain/(loss) Beginning balance	10,1100		\$	(2)
Total AOCI ending balance at June 30	\$	(18,928)	\$	(13,236)

⁽a) The accumulated translation adjustments related to an investment in a foreign subsidiary is reclassified to net income upon sale or liquidation of the entity and is recognized in Automotive interest income and other non-operating income/(expense), net or Financial Services other income/(loss), net.

⁽b) Gain/(loss) on cash flow hedges is reclassified from AOCI to income when the hedged item affects earnings and is recognized in *Automotive cost of sales*.

⁽c) These AOCI components are included in the computation of net periodic pension cost. See Retirement Benefits footnote for additional details.