February 23, 2011

Ms. Leslie Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Submitted via electronic mail to director@fasb.org

Dear Leslie,

GE appreciates the opportunity to provide its views on the FASB’s Discussion Paper (the DP), Effective Dates and Transition. We observe that the magnitude of the changes proposed in convergence projects on financial instruments, revenue recognition, and leasing and the timetable under which they are being developed are unprecedented in the history of standard setting. We continue to have concerns as to whether the current pace of deliberations will produce high quality accounting standards. We also do not believe that a single transition approach will be practicable to apply to all companies worldwide. For reasons discussed further below, we recommend that the Boards permit companies to determine their own adoption plans based on their circumstances, provided that all standards have been adopted by a specified date that would apply to all.

Once issued, each of the major standards will require a significant amount of time and resources to implement. Each will involve the adoption of new fundamental concepts and complex accounting requirements that will affect key financial statement line items and disclosures for a broad array of companies. The level of resources required, time frames for a high quality implementation and costs to be incurred will depend on a number of variables, including:

- Most importantly, the choice of principles included in the final standard: the degree of complexity and the extent to which they require new information and processes that are not used by management to run its business will add significantly to costs and effort required.

- The transition method selected for application of each new standard: retrospective, prospective or some form of hybrid alternative. Prospective application or a hybrid approach, where appropriate, is less expensive and time consuming but also can create issues with comparability.
• A nature of the adopting company’s business, which will determine which standards
they are affected by and the degree to which each standard requires extra technical
resources and system changes.

• The availability of in-house and outside technical resources and the capacity of
information systems departments to cope with a surge of required changes. In
today’s reporting environment, where enterprise systems are common, implementing
a major new standard requires significant technical and IT resource support and
close coordination with 3rd party service providers to ensure that the right end-user
requirements are identified and can be met by their information systems.

• The regulatory environment of the adopting company. For good reason, a U.S.
company will incur significantly higher implementation and audit costs, and will
spend correspondingly more time and effort than non-U.S. based companies in order
to meet comprehensive U.S. regulatory requirements.

All of the above considerations suggest that the process for adopting these standards will be
a daunting, resource-intensive exercise that should only be required to be performed once.
That can only happen if the underlying final standard has been thoroughly vetted and is
known to be capable of high quality application, which underscores our overall point about
the risks inherent in the Boards’ current timetable.

Given the likely diversity in the impact of the final standards on companies, we question
whether it is appropriate or feasible to adopt a single approach to transition that would
apply worldwide. As noted above, differences between the U.S. regulatory regime and that
in other areas of the world would suggest that domestic companies have more work to do to
adopt than foreign companies. It is unlikely that the IASB would require countries to adopt
at a later date solely to give US companies the additional time they need. Beyond that, even
among US companies, the level of effort and time required will vary significantly based on
the entity’s line(s) of business. Of particular concern are circumstances in which multiple
standards require the same technical and IT resources in order to implement, as would be
our circumstance with the leasing and financial instruments standards, for example.

The resource demands and types of costs that companies are expecting to incur in adopting
the proposed standards include internal personnel costs (training, financial reporting,
audit/internal control, investor relations and tax), systems costs to capture the required
information for accounting and reporting (which would vary depending on the type of
systems employed by companies), third-party training and consulting and external
accounting fees for financial statement audits. In addition, companies might expect to incur
other legal/transactional-type costs if contracts need to be modified or renegotiated to
address accounting or reporting issues that would arise from adopting the proposed
standards. In our view, each company should be able to allocate their technical and
systems resources in a manner that achieves a high-quality implementation of each
standard over a defined time period. We would also recommend that an effective date for
calendar year companies no earlier than fiscal years ending after December 15, 2016.

In general, we understand that a retrospective transition approach is more useful to users of
financial statements. However, we have concerns that for some statements, a retrospective
adoption would be impracticable. Given the nature and scope of the various proposed
statements, we believe that companies should be allowed to select the best alternative in
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adopting the various proposed pronouncements. Specifically, if there is a significant cost of retrospectively adopting the proposed standards and a company believes that adopting on a prospective basis with pro forma information is more appropriate or on a limited retrospective basis, such a presentation should be permitted.

We appreciate the opportunity to provide our views and we look forward to following the Boards future deliberations. Please feel free to call me at (203) 373-2444 if you have any questions regarding this response.

Sincerely,

/s/ Jamie S. Miller

Jamie S. Miller