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FINANCIAL ACCOUNTING FOUNDATION

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November 13, 2008

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the Financial Accounting Foundation (FAF), the independent, private-sector organization responsible for oversight of the U.S. Financial Accounting Standards Board (FASB), I am writing to you in your role as host of the meeting of leaders of "G-20" countries on November 15 in Washington. We respectfully request that the Secretariat circulate this letter to all meeting participants.

We understand that current issues relating to international accounting standards will be discussed at this meeting as part of a comprehensive examination of the global financial crisis. The FAF believes that the complex task of setting accounting standards is best done by the experts who comprise the FASB and International Accounting Standards Board (IASB). We believe the integrity and independence of the accounting standard-setting process is of critical importance to investors worldwide. We support the joint commitment of the FASB and the IASB to work in unison to develop and implement a consistent response to global financial reporting issues emanating from the current financial crisis.

High-quality accounting standards are best achieved when the standard-setting process is independent and free of political influence. We are very concerned about recent efforts in the United States and abroad that contemplate political solutions to perceived flaws in certain accounting standards. We believe that any legislative outcome that would permit accounting standards to be overturned through a political process will create uncertainty, greatly undermine investor confidence, and dangerously compromise the credibility of financial reporting at a time when the capital markets are under great duress and in need of greater transparency.

Political pressures have been brought to bear on the IASB to urgently review and revise its standards, particularly standards relating to "mark-to-market" (fair value) accounting. The IASB has already departed from its normal due process to make one such revision in response to this pressure and is being asked by the European Commission to further review its standards for certain financial instruments and to complete its deliberations in time for year-end financial reporting.

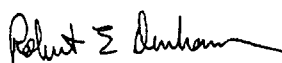
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We encourage the G-20 to support independent standard setting via a robust due process free from political interference. This support will do more to restore confidence in the capital markets than legislating accounting standards in a way that reduces the reliability and transparency of financial information presently available to investors. If special interests are able to overturn expert accounting judgments arrived at through an open and thorough due process, investors will be understandably concerned about the diminished quality and consistency of the financial information available to them.

We at the FAF are fully committed to help in all efforts to restore confidence in the financial markets. As we tackle the significant financial challenges ahead, we urge the G-20 nations to support the continuation of an independent, open due process for U.S. and international accounting standard setting.

Sincerely,



Robert E. Denham
Chairman, Financial Accounting Foundation

cc: The Honorable Henry Paulson, Secretary, U.S. Department of the Treasury
The Honorable Benjamin Bernanke, Chairman, Board of Governors, Federal Reserve
The Honorable Christopher Cox, Chairman, Securities and Exchange Commission
The Honorable Luis A. Aguilar, Commissioner, Securities and Exchange Commission
The Honorable Kathleen L. Casey, Commissioner, Securities and Exchange Commission
The Honorable Troy A. Paredes, Commissioner, Securities and Exchange Commission
The Honorable Elisse B. Walter, Commissioner, Securities and Exchange Commission

The Honorable Nancy Pelosi, Speaker of the House, U.S. House of Representatives
The Honorable Steny Hoyer, Majority Leader, U.S. House of Representatives
The Honorable John Boehner, Minority Leader, U.S. House of Representatives
The Honorable Roy Blunt, Minority Whip, U.S. House of Representatives

The Honorable Barney Frank, Chairman, Committee on Financial Services, U.S.
House of Representatives
The Honorable Spencer Bachus, Ranking Member, Committee on Financial Services,
U.S. House of Representatives
The Honorable Paul E. Kanjorski, U.S. House of Representatives
The Honorable Deborah Pryce, U.S. House of Representatives

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The Honorable Harry Reid, Majority Leader, United States Senate
The Honorable Mitch McConnell, Minority Leader, United States Senate
The Honorable Christopher Dodd, Chairman, Committee on Banking, Housing, and
Urban Affairs, United States Senate
The Honorable Richard Shelby, Ranking Member, Committee on Banking, Housing,
and Urban Affairs, United States Senate
The Honorable Jack Reed, United States Senate
The Honorable Wayne Allard, United States Senate