

Honeywell
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July 31, 2008

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Subject: File Number 4-564, International Financial Reporting Standards (IFRS)

Dear Ms. Harmon:

Honeywell International is a \$37 billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; automotive products; turbochargers; and specialty materials. Based in Morris Township, N.J., Honeywell's shares are traded on the New York, London and Chicago Stock Exchanges.

We appreciate the opportunity to offer comments on the ongoing IFRS project, particularly in support of the August 4, 2008 roundtable that the Commission is sponsoring. We believe that further significant analysis and a thorough understanding of the impact of such an adoption on the marketplace and companies that submit required financial statements, is required, before any timeline for implementation can be established.

We recognize that more than 100 countries require, permit or are pursuing the use of IFRS. However, many have adopted a piecemeal or tailored approach to adoption, defeating the goal of a single global standard. We understand that at least 29 countries/jurisdictions have "carved out" IFRS in this manner, and have not fully adopted IFRS as promulgated by the International Accounting Standards Board (IASB).

Many of the companies in Europe that have adopted IFRS have incurred significant implementation costs in doing so. We have seen numerous studies that have pegged implementation costs at 0.005% of a company's sales, for those companies with sales greater than \$8 billion. We envision these costs to be a result of the following implementation issues:

- Increased company procedure and policy requirements in a less prescriptive environment.
 - As IFRS is a “principles based” system, companies will need to staff an organization to maintain the increased procedures and policies necessary to ensure consistency of IFRS application within the company.
- Parallel (IFRS and GAAP) accounting systems requirement.
 - Historic financial information will be required for a period of time, necessitating parallel systems. A second parallel system will require reconciliations and additional audit requirements for US GAAP, statutory accounting and IFRS. The parallel system requirement will also mean that companies will need to be prepared significantly earlier than any stated mandatory effectivity date. For example, an effective date of 2013 will require companies to be prepared and have systems in place as of year-end 2010, assuming a two-year look back.
 - Companies will need to compete for marketplace resources knowledgeable in IFRS and the necessary required system conversions, driving up labor costs.
 - Companies will need to maintain SOX compliance as a necessary element of the parallel systems.
- Increased training relative to IFRS
 - Companies will be required to develop and maintain significant training resources to ensure that all financial personnel understand and are consistently applying IFRS. IFRS relies heavily on practitioner judgment, which is a mindset adjustment from the practice followed in the U.S. over the past few decades. This contrasts with the U.S. GAAP system, which being a rules based system, is prescriptive.
- Inconsistencies exist between the regulatory based IFRS and statutes such as taxation.
 - Regulatory/statutory inconsistencies will require significant effort and harmonization between regulators and lawmakers to achieve the goal of a single set of global standards.
- Legal/debt covenants, government contracting, and external/internal communications.
 - Existing contractual documents and agreements will need to be amended to reflect any conversion to IFRS, with possible additional financial exposure to companies doing so.

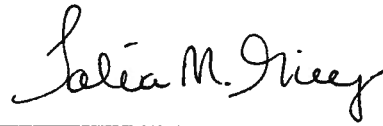
We are also concerned that the existing IASB structure does not provide the regulatory and statutory safeguards, due process and oversight as that provided in the U.S. The IASB does not have an SEC type structure singularly overseeing financial markets and the proactive implication of financial and accounting standard changes. As such, the IASB has greater authority than the U.S. Financial Accounting Standards Board (FASB), and its pronouncements are regarded the equivalent of law. Further, the current funding mechanism of the IASB could easily lend itself to a perception of less than impartiality, as one third of its operating budget to date has been funded by accounting firms.

Finally, as we proceed down the path towards a goal of convergence with IFRS, the FASB continues to promulgate standards that are inconsistent or divergent from IFRS, which will ultimately make convergence more difficult and challenging. Any plan for the future should consider either a moratorium on new FASB promulgations or the requirement that future FASB pronouncements be consistent with existing IFRS.

In conclusion, Honeywell supports the Commission's efforts toward the goal of a single global reporting standard. However, we believe that the significant issues discussed above require further in-depth analysis and understanding before a fair and thorough "roadmap" and implementation plan can be agreed upon by all affected parties.

We appreciate the opportunity to submit these comments. If you have questions, or need additional information, please contact Talia Griep, Vice President and Corporate Controller at 973-455-4014.

Sincerely,

A handwritten signature in cursive script that reads "Talia M. Griep". The signature is written in black ink and is positioned above a horizontal line.

Talia M. Griep
Vice President and Corporate Controller