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April 16, 2009

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

Re: File No. S7-27-08 – "Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers"

Dear Ms. Harmon:

Chevron is pleased to provide comments to the Securities and Exchange Commission (the "Commission") on its rule proposal, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards by U.S. Issuers*.

We continue to support the concept of a single set of high-quality accounting standards for all of the world's major capital markets. With respect to the possibility of the Commission mandating the adoption of International Financial Reporting Standards (IFRS) by U.S. registrants, we discuss below our strong belief that the Commission's setting of a 2014 conversion date for companies like Chevron, while deferring the go/no-go IFRS decision until 2011, represents a fundamental flaw in the "Roadmap."

Page 17 of the Roadmap proposal includes the statement: "Any decision we may take to expand the use of IFRS to U.S. issuers would necessitate our evaluation of whether global developments support the assertion of IFRS as the single set of high-quality globally accepted accounting standards that is applied consistently across companies, industries and countries." We wholeheartedly agree with this statement. However, we strongly believe the Commission should first conclude whether IFRS is the best set of accounting standards for U.S. registrants and then mandate a date for IFRS adoption that would allow companies three full calendar years before the date of the opening balance sheet under IFRS.

While we concur with the concept of a single set of global accounting standards, and while we trust the Commission's ability to determine whether IFRS is the best set of accounting standards for U.S. registrants, we respectfully suggest that any ultimate decision for conversion and any timetable for conversion acutely and accurately assess the cost/benefit of conversion. The costs of conversion will be significant for U.S. registrants and therefore for the U.S. economy at large and should be taken into account in your decision-making.

Also discussed below is our strong opinion that the unresolved LIFO issue represents a major impediment to some U.S. companies converting to IFRS. We do not support conversion to IFRS if it results in an income-tax penalty to our company.

Responses to selected questions in the proposed rule are as follows:

Question 1: Do commenters agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not?

Response: We believe a single set of global accounting standards that are of high-quality, uniformly implemented (i.e., no country "carve outs") and promulgated by a properly governed and adequately funded independent body would benefit the investment community.

Question 2. Do commenters agree that the milestones and considerations described in Section III.A. of this release ("Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers") comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission?

Question 3. Do commenters agree with the timing presented by the milestones? Why or why not? In particular, do commenters agree that the Commission should make a determination in 2011 whether to require use of IFRS by U.S. issuers? Should the Commission make a determination earlier or later than 2011?

Question 4. What are commenters' views on the mandated use of IFRS by U.S. issuers beginning in 2014, on an either staged-transition or non-staged transition basis?

Response (to questions 2 through 4): We do not believe: (a) the "milestones and considerations…comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. filers in their filings with the Commission"…and (b) "the Commission should make a determination in 2011 whether to require use of IFRS by U.S. issuers."

We believe the Commission should use the following process:

Step 1. Do whatever is necessary to evaluate whether IFRS should be used by U.S. filers. Don't establish a hypothetical conversion date before a firm decision is made.

Step 2. If, as a result of the evaluation in Step 1, the Commission decides IFRS should be used for U.S. filers, issue a mandatory conversion date for all companies. (We are indifferent as to whether a phased approach should be used.) Allow three full calendar years from the decision date until the date of the opening balance sheet for IFRS reporting by the largest U.S. companies.

Under this process, if the Commission's "go" decision were to be made in 2011, companies should have 2012 through 2014 for their conversion projects in advance of preparing the opening balance sheet under IFRS on January 1, 2015. The first fiscal year for an IFRS filing (with two prior years of comparative financial statements) would then be 2017. Alternatively, the first year of IFRS filing would be 2016 if the SEC were to require only one year of comparative IFRS financial statements.

With regard for the time necessary, we agree with the statement on page 7 of the comment letter submitted by the Financial Accounting Foundation on March 11, 2009, viz: "We do not believe that the timeframe as proposed in the Roadmap, with only three years between a decision date and the first year of mandated use of IFRS, constitutes adequate lead time for U.S. issuers to change reporting systems and to provide the three years of financial information that would be required in SEC filings to serve investors' needs."

Embedding IFRS into the business processes and systems of companies the size of Chevron is a multi-year and costly undertaking. [Using the basis in the proposed rule for estimating the project cost (.125 percent of a company's revenues, $400 per hour for external resources and 25 percent of the work being performed by external resources), the cost for Chevron would be approximately $250 million.] Incurring significant costs to change processes and systems and train a global workforce in

IFRS with any possibility the effort will be for naught would be an imprudent move by Chevron management.

We also do not agree with the statement on page 33 of the proposal: "We believe that a Commission decision and action in 2011 would provide issuers with sufficient early notice of the transition to IFRS to permit them to begin their internal accounting using IFRS in 2012..." This statement contradicts the Commission's own statement on page 117 of the proposed rule that "...we assumed (for cost estimates) that the transition from U.S. GAAP to IFRS by eligible issuers would be a multi-year process" and conveys a lack of appreciation of the effort and time needed to train a workforce and embed IFRS into the processes and systems of companies the size of Chevron. If the Commission's final decision to mandate IFRS for U.S. issuers cannot be made currently, then the suggestion of a mandatory adoption date is inappropriate.

We furthermore note on pages 9 and 10 of the proposal "...seven milestones which, if achieved, could lead to the use of IFRS by U.S. issuers in their filings with the Commission" (emphasis added). For example, one milestone is the "limited early use of IFRS where this would enhance comparability for U.S. investors." We believe some of the companies that may be eligible for early-adoption would not even consider such an option if they use the LIFO inventory method and would incur a significant income-tax penalty upon conversion to another inventory methodology for IFRS reporting. If fewer companies early-adopt than the Commission expected, would this mean that particular milestone had not been achieved and the Commission, therefore, would not mandate IFRS? We strongly believe the LIFO-inventory issue must be resolved in favor of no tax penalty being incurred upon adoption of IFRS by U.S. registrants. Otherwise, U.S. companies could be at a competitive disadvantage to foreign issuers that have adopted IFRS and can still use LIFO for U.S. income-tax reporting.

Question 27. What are commenters' views on the accounting principles that should be used by those U.S. issuers that elect to file IFRS financial statements if the Commission decides not to mandate or permit other U.S. issuers to file IFRS financial statements in 2011? Should the Commission require these issuers to revert back to U.S. GAAP in that situation?

Response: The described scenario highlights the fundamental flaw in the Roadmap. The SEC should make its final IFRS decision before permitting early-adoption so companies are not at any risk of being placed in accounting-standard limbo.

Question 29. Should we limit the first filing available to an annual report on Form 10-K, as proposed? If not, why not?

Question 33. To facilitate the transition to IFRS, should we add an instruction to Form 10-K and Form 10-Q under which an issuer could file two years, rather than three years, of IFRS financial statements in its first annual report containing IFRS financial statements as long as it also filed in that annual report three years of U.S. GAAP financial statements? For example, a calendar-year issuer that began its IFRS accounting for the 2010 fiscal year would use U.S. GAAP to prepare its Forms 10-Q and Forms 10-K for the 2010 and 2011 fiscal years. In 2012, that issuer would have the option of filing a Form 10-K or a Form 10-K/A with IFRS financial statements for 2010 and 2011, which would allow it to use IFRS in its quarterly reports during 2012, or continuing to use U.S. GAAP.

Response (to questions 29 and 33): We believe the first filing under IFRS should be for the first quarter in the year of adoption. It should not have to be preceded by the filing of a Form 10-K for the preceding year under IFRS. Form 10-Q reports and the Form 10-K in the year of adoption should be on the same basis to avoid the need for maintaining dual accounting systems – U.S. GAAP and IFRS. Therefore, we request that the SEC consider permitting the approach used by some foreign private

issuers that implemented IFRS on January 1, 2005. Rather than amend the 2004 Form 20-F reports, those companies provided appropriate reconciliations (between IFRS and country-GAAP) and other relevant IFRS policy information in their respective Form 6-K reports for the first quarter 2005. We believe U.S. issuers should be permitted to follow the same approach for their respective first 10-Q reports in the year of IFRS adoption.

Question 38. Should we be concerned about the ability of U.S. issuers that elect early use of IFRS to revert to U.S. GAAP?

Response. Yes, we believe the Commission should be very concerned about the risk of a costly wasted effort by U.S. issuers. However, the concern can be avoided completely. See response to Question 27 above.

Question 55. Will three years of selected financial data based on IFRS be sufficient for investors, or should IFRS issuers be required to disclose in their selected financial data previously published information based on U.S. GAAP with respect to previous financial years or interim periods?

Response: We believe the disclosure of three years selected financial data is sufficient until financial statements have been reported under IFRS for five years.

Question 56. Should the Commission address the implications of forward-looking disclosure contained in a footnote to the financial statements in accordance with IFRS 7? For example, would some kind of safe harbor provision or other relief or statement be appropriate?

Response: We recommend the Commission provide the same safe-harbor protection for the market-risk disclosures in the IFRS financial statements that is currently available for these quantitative and qualitative disclosures that are currently outside the U.S. GAAP financial statements. We do not believe a reduction in safe-harbor protection for market-risk disclosures should be a result of IFRS implementation. This would not be in the best interests of issuers or investors.

Question 58. Should we amend Form 8-K to require "forward-looking" disclosure relating to an issuer's consideration of whether it will file IFRS financial statements in the future? If so, what type of information should be disclosed, and at what point in time prior to the issuer actually filing IFRS financial statements? Would a requirement to make such forward-looking disclosures have any impact on an issuer's decision to adopt IFRS? If so, what would the effect be?

Response: This question and the quandary described can be made moot if the Commission makes a final IFRS decision before permitting any U.S. issuer to early adopt. See response to Question 27 above.

Question 63. Should an IFRS issuer be required to continue to comply with the disclosure requirements of FAS 69? What alternatives may be available to elicit the same or substantially the same disclosure?

Response: We believe the Commission should work vigorously to align its recently issued final rule on oil and gas disclosure requirements with the ongoing efforts of the IASB to develop accounting and disclosure requirements for the extractive industries. We believe the Commission missed the opportunity to do so before it issued its final rule. Significant cost and effort will be expended by U.S. issuers to implement the new SEC requirements. U.S. issuers should not have to undertake another significant and costly project related to oil and gas disclosures upon adoption of IFRS.

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We trust our comments are helpful to the staff in developing the final rule in this important area. We encourage the Commission to communicate as soon as possible after the April 20, 2009, deadline for comment on the Roadmap proposal its expected timetable for issuing a final rule or conducting any other follow-up activity. Dealing with an uncertainty as to the timing of next steps by the Commission is not in the best interest of investors or issuers.

If you have any questions on the content of this letter, please contact Bill Allman, Assistant Comptroller, at (925) 842-3544 or at bill.allman@chevron.com.

Very truly yours,

Mark A. Humphrey