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VIA e-mail to: rule-comments@sec.gov

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

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

FedEx Corporation has reviewed the Commission's proposed roadmap (the "Roadmap") for the potential use of financial statements prepared in accordance with international financial reporting standards (IFRS) by U.S. issuers, and we submit this letter of comments on the Roadmap.

We continue to support the Commission and the FASB in their objectives to develop accounting principles that enhance the transparency, usefulness and comparability of financial statements. While we believe that a single set of accounting standards would be beneficial to preparers and users of financial statements, we do not believe IFRS has yet demonstrated that it can achieve the status of a single set of high-quality globally accepted accounting standards. Until IFRS has sufficiently matured and a credible system of funding and governance over the International Accounting Standards Board (IASB) has been established, tested and proven, conversion to IFRS for U.S. companies is premature and should be indefinitely delayed.

Following are specific points that form the basis for our views.

Convergence

As the Commission's Roadmap notes, having one set of global accounting standards would improve the comparability of financial statements. In order to achieve this objective, we believe the process of converging U.S. generally accepted accounting principles (GAAP) and IFRS must be substantially complete, which includes reconsideration of some of the most controversial and complex aspects of accounting standards. The size and importance of this task must not be misjudged and it is completely unrealistic in our opinion to expect the convergence process to succeed under an artificial timeline such as that suggested in the Roadmap. We have experienced several recent instances of standards being rushed in the U.S. that have led to practice issues requiring subsequent revisions to GAAP. The scope of issues contemplated by the convergence process is enormous and convergence will likely result in profound changes to financial reporting. Failure to give due course to the deliberation over changes to accounting standards is not in the best interests of preparers or users of financial statements and could undermine the reliability of financial reporting in the capital markets.

Governance

IFRS cannot be claimed as the global gold standard of accounting until the IASB has the credibility, independence and oversight over the standard setting process at least equal to that which exists in the U.S. today. As outlined in the Roadmap, the accountability and funding of the IASC Foundation is an important consideration that must be addressed. We believe that a plausible solution must be developed and implemented that provides for the operational independence of this body with a sustainable source of funding. The standard setting process cannot be susceptible to political manipulation and the objectivity of the IASB must be beyond reproach, both in appearance and fact. We do not believe the IASB has yet demonstrated the independence and leadership necessary to be in charge of global accounting standards.

Implementation

We believe the Commission's expectation to require three years of audited financial statements in the first year of IFRS reporting is impractical and would require significant expense on the part of U.S. companies to implement. Under the proposed transition approach, U.S. companies will be required to maintain two sets of books and records in order to comply with U.S. GAAP prior to adoption and to report under IFRS subsequent to adoption. Using the formula outlined in the Roadmap (which is likely understated given experiences gained from Sarbanes-Oxley Section 404 implementations), we would expect to incur approximately $50 million in conversion costs. Furthermore, the Commission's formula excludes the costs of training and education, which will be millions more. Requiring companies to make this extraordinary level of investment without a measureable return under current economic conditions is unjustified in our view.

In addition, the convergence process will likely result in substantial changes to the accounting models for areas such as leases, pensions and long-lived assets. These new accounting models will drive significant change to accounting systems and processes that require long lead times to implement. It's not practical to establish a time line and implementation approach like the one set forth in the Roadmap until we know what level of change the new rules will require.

We believe the Commission should consider a more practical approach to the presentation of financial statements for the transition periods. For example, in lieu of presenting three years of audited financial statements, we recommend a high-level unaudited reconciliation from U.S. GAAP to IFRS for periods presented prior to adoption for revenues, net income and earnings per share. Reconciliations from IFRS to U.S. GAAP were accepted by the Commission for years for foreign private issuers. They represent a practical way to address overall comparability while managing the cost of transition more prudently. The cost, administrative burden, and inefficiency to maintain and the requirement to audit dual financial presentations under the current proposed approach is simply impractical, with costs that far exceed the benefits.

Finally, in our view, the U.S. financial, legal, and regulatory systems are not ready for a wholesale change to a more principles-based accounting framework under IFRS. In particular, it is not clear how regulators would govern compliance under a system with fewer rules and greater judgments. Continued completion of convergence projects will provide a more deliberate transition to operating under a principles-based framework and allow preparers, users and regulators time to operationalize the new standards.

We appreciate the opportunity to present our views on this very important topic.

Sincerely,

John L Merino

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and Principal Accounting Officer