

COUNCIL OF INSTITUTIONAL INVESTORS

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Via Email

July 17, 2008

Florence E. Harmon
Acting Federal Advisory Committee Management Officer
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. 265-24 (Advisory Committee on Improvements to Financial Reporting)

Dear Ms. Harmon:

I am writing on behalf of the Council of Institutional Investors (“Council”) to express our appreciation for the opportunity to provide the Securities and Exchange Commission Advisory Committee on Improvements to Financial Reporting (“Committee”) with additional input on the Committee’s draft final report.¹ The Council is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion.

Council member funds are major long-term shareowners with a duty to protect the retirement assets of millions of American workers. The Council strives to educate its members and the public about good corporate governance, shareowner rights and related investment issues, and to advocate on our members’ behalf.

We note that Chapter 1, Section II of the Committee’s draft final report includes a discussion and recommendations concerning the mixed attribute model and fair value accounting. In light of the issues that some have raised about fair value accounting in recent months, the Council commissioned Stephen G. Ryan, Professor of Accounting and Peat Marwick Faculty Fellow at the Stern School of Business, New York University, to prepare a white paper explaining and evaluating some of the potential concerns with fair value accounting.

The resulting attached white paper, entitled *Fair Value Accounting: Understanding the Issues Raised by the Credit Crunch*, includes an evaluation of the mixed attribute model and fair value accounting that might be useful to the Committee in developing its final report. The white paper concludes that, although some of the recent criticisms about fair value accounting might be valid, fair value accounting provides more useful information to investors than other existing approaches.

¹ The Council of Institutional Investors has previously submitted two comment letters to the Securities and Exchange Commission Advisory Committee on Improvements to Financial Reporting (“Committee”). Those letters were dated March 31, 2008 at <http://www.sec.gov/comments/265-24/26524-79.pdf>, and July 3, 2008 at <http://www.sec.gov/comments/265-24/26524-99.pdf>. We again respectfully request that the Committee carefully consider those comment letters before adopting the final report.

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Thank you again for the opportunity to provide input to the Committee. If you have any questions regarding the white paper, or any of our comments to the Committee, please do not hesitate to contact me at jeff@cii.org or 202.261.7081.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Mahoney".

Jeff Mahoney
General Counsel

Attachment