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Ford Motor Company

Technical Director -- File Reference No. EITF-13D  
Financial Accounting Standards Board  
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**File Reference: Comments on Exposure Draft, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period**

We appreciate the opportunity to comment on the Exposure Draft "*Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.*"

We agree in concept with the FASB's proposal that an entity should recognize compensation costs for the actual number of awards that ultimately vest by assessing the probability of whether the performance target will be achieved. The FASB's proposal would result in the complexity of reassessing probability each reporting period, but the recognition of compensation would reflect only the costs for awards in which the performance target is achieved.

We also agree in concept with the IASB's proposed definition of the term *Performance Condition* that indicates a performance target affects the grant-date value. The IASB's proposal would avoid the ongoing operational complexity introduced by the FASB proposal, but would result in the recognition of compensation cost over the requisite service period, regardless of whether the performance condition is achieved.

Although we agree with the conceptual merits of both proposals, we are concerned that if the Boards both issue their respective proposals it will result in unnecessary operational complexities for multi-national companies. We acknowledge that differences between the accounting standards for the share-based compensation exist today. However, we strongly urge that the Boards agree with one another and adopt one approach to account for share-based compensation that involves a performance condition. Creating further differences between the accounting models will be contrary to the Boards' recent efforts of reducing the gaps between U.S. GAAP and IFRS.

We appreciate your consideration of our views.

Sincerely,

A handwritten signature in blue ink that reads "Susan Callahan".

Susan M. Callahan  
Director, Americas Accounting