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May 8, 2007

CESR
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Dear Sir or Madame,

CESR technical advice on equivalence mechanism / GE comments

General Electric Company (GE) appreciates the opportunity to comment on the Committee of European Securities Regulators (CESR) consultation paper entitled: *"CESR's technical advice on a mechanism for determining the equivalence of the generally accepted accounting principles of third countries"* (Ref. CESR/07-212), hereafter referred to as the '*Consultation Paper*'.

GE's activities span all geographic regions and encompass a broad range of products and services. We issue debt on worldwide capital markets. In 2006, GE issued 30.5 bn USD (EUR 22.5 bn) in long-term debt on the European stock exchange markets accounting for 36 % of GE's overall long-term debt issuance. GE raises debt in the European Union through a direct listing on the stock exchanges of individual EU Member States as a third-country entity. We are therefore within the scope of the EU's transparency and prospectus directives. We are pleased with the EU's decision to allow for the continued use of third country (US, Japanese, Canadian) GAAP through 1 January 2009. We are also eager to ensure equivalency after this date.

Our comments are limited to the 'EC determination of equivalence' i.e., Questions 3 and 4 of the Consultation Paper. For the reasons stated below, GE supports the Alternative Model set out in Appendix 2 of the Consultation Paper.

We observe that for several years the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) have worked diligently on the convergence of generally accepted accounting principles in the United States (US GAAP) and International Financial Reporting Standards (IFRSs). In October 2002, the two Boards issued a memorandum of understanding (commonly referred to as 'the Norwalk agreement'). Under this memorandum, the two Boards pledged to use their best efforts to: (i) make their existing financial reporting standards fully compatible as soon as is practicable; and (ii) coordinate their future work programmes to ensure that, once achieved, compatibility is maintained. In February 2006, the IASB and the FASB released a 'roadmap', which identified short- and long-term convergence projects. We commend the IASB and the FASB for their diligent efforts to achieve conformity.

We support the adoption of the Alternative Model because, in our view, it builds upon the significant progress already made by the FASB and IASB toward convergence of US GAAP and IFRS and avoids duplicative work by the respective staffs of the Boards. It also takes advantage of the existing support of national regulators and political leaders for the convergence approach. In addition, we believe that the Alternative Model is a more efficient approach than the model for determining equivalence set out in Appendix 1 of the Consultation Paper because it relies upon a more comprehensive resolution of differences in accounting standards through the convergence process and should therefore reduce the compliance burden for registrants and result in less complex disclosure for investors. In summary, we believe that the Alternative Model will provide further confidence to the global capital markets about the transparency and integrity of financial statements.

In finalising the mechanism, it would be useful for CESR or the Commission to clarify the meaning of the term "entity level" (emphasis added) as referred to in paragraph 25 of the Consultation Paper. We, for example, consider "entity level" to refer to General Electric Company as consolidated for financial reporting purposes.

GE appreciates the opportunity to comment on this proposal, and would be pleased to meet with representatives from CESR or the Commission to further discuss any of the items discussed in this letter. Should you have any questions regarding our comments, please contact Koen Coppenholle at + 32 2 235 69 58 or Noreen Whelan at +44 1753 874198.

Very truly yours,

N.W.


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