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News Release

Financial Executives Institute

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FINANCIAL EXECUTIVES INSTITUTE SUPPORTS STRONG, INDEPENDENT STANDARDS-SETTING PROCESS

Morristown, N. J., April 30, 1996 — In response to recent reports, Financial Executives Institute President P. Norman Roy stated today: "The members of Financial Executives Institute are proud of their role in keeping U.S. capital markets preeminent in the world. Reliable accounting and full disclosure have been the distinguishing cornerstones of the U.S. system that permits those markets to work. Throughout FEI's history, we have actively and constructively shared the experience of senior financial executives in the continuous quest to assure that accounting standards are as good as they can and should be.

"FEI agrees with SEC Chairman Arthur Levitt Jr. that accounting standard-setting must function in the public interest. We believe that oversight by a balanced Financial Accounting Foundation Board of Trustees most effectively prevents domination of the process by any special interest and ensures that all constituencies are represented. Our mutual goal is financial reports that best serve the needs of investors and other users, and we are ready to work with the Chairman in furthering this goal.

"FEI realizes there is a natural tension among the various constituencies of the FASB, who often have differing views on specific issues. The absolute imperative of the process by which accounting standards are set is to ensure that all views are understood and thoroughly weighed before a final decision is made. FEI would be concerned with any proposal that would result in a disproportionate influence in the process by any interest group.

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“Our aim now, as it has always been, is to support the Financial Accounting Standards Board and an effective standards-setting process. We demonstrate our support in a number of ways: by working extensively with the FASB by responding to exposure drafts, by serving on task forces, and by participating in field tests of the FASB’s proposals. Our long history of constructive participation demonstrates our commitment to the process by which accounting standards are developed.”

Financial Executives Institute, the leading advocate for the views of corporate financial management, is a professional association of more than 14,000 senior financial executives representing 8,000 corporations throughout the U. S. and Canada.

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