

June 25, 2001

John A. Carchrae
Chief Accountant
Ontario Securities Commission
P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

Dear Mr. Carchrae:

These are my comments on a Discussion Paper, "Financial Reporting in Canada's Capital Markets".

Question 1: Should we relax the current requirements for reporting issuers participating in Canada's capital markets to provide financial information prepared in accordance with Canadian generally accepted accounting principles?

No, I do not believe the rules should be relaxed. Reconciliations should continue to be required. My experience in working with both the Canadian and US capital markets is that we forget to pay attention to the end users. As a result, we cause confusion.

Given that the Ontario Securities Commission continues its support of separate Canadian GAAP, any information should clearly be reported as such or reconciled to such standards. To do otherwise would invite confusion and lack of comparability to those of us working in two markets.

Question 2: Should any relaxation in current requirements address (a) foreign issuers; or (b) Canadian issuers; or (c) both?

Since I do not believe they should be relaxed, the question is moot. As to whether the requirements should apply to continuous disclosures as well as offering documents and information circulars, I believe that such reconciliations should occur no less than annually. The information should be available, on request, for quarterly filings. The reconciliation should accompany all registration financial data.

Based upon my above response, questions 4-10 do not require comment.

As to the balance of the questions the Canadian Securities Administrators (CSA) would need to determine the fundamental issue of how necessary separate Canadian GAAP is to their constituent's understanding of the economics of its listed companies. To the extent the US represents a larger more material capital market to Canadian Companies, the need for separate unique standards may be

questionable. As a company in both markets, we deal with constituents who, for the most part, are knowledgeable in the US market, thus are familiar with US GAAP. In fact, Canadian reporting inhibits US analysts in understanding our company. This not to say that US GAAP is better (in many cases it is not) but it is different and many analysts do not wish to take the time to deal with such differences when they have alternatives to pursue.

I do not believe professional capacity or other statutory requirements are real issues. They represent the thinking of these rooted in today's thinking. People develop competencies quickly and regulations adapt. Give direction, these issues will be resolved by people knowing they have to adapt.

CSA fundamentally has to resolve these issues based upon the needs users of the information. To the extent Canadian companies turn to the US markets for capital and US investors turn to Canadian companies for investment, the need for separate standards needs to be challenged on the basis of usefulness (primarily ease of understanding and comparability) to the user, not the technical merits of which is theoretically superior.

To the extent that the Canadian market is insular and the Canadian users isolated to Canadian investments, the current approach should be continued.

As I've written, I am not proposing that US GAAP is theoretically superior to Canadian GAAP or IAS, only that it is more dominate as a result of the size of the US equity market.

In summary, I believe a common standard should be adopted between the US and Canada as the crossover in markets is growing for companies on both sides of the border, whether this is Canadian GAAP or US GAAP or IAS. In absence of a common standard, the reconciliation requirements should continue.

Sincerely,

Mark W. Durishan
Vice President, Finance & CFO