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**Summary:**

The Financial Accounting Standards Board (FASB) should consider requiring companies to be consistent in the kind of measurement they use for each business activity, says FASB chairman Robert Herz. Speaking at an SEC press conference, Herz said FASB should think about requiring a system in which companies wouldn't "mix part fair value, part historical cost, or part something else within a particular type of business activity or financial activity."

The press conference marked the release of an advisory committee's 184-page final report to the SEC. The committee's recommendations are designed to reduce complexity in financial reporting. Amongst the report's 25 recommendations, advisory committee chairman Robert Pozen highlighted the proposal for consistent measurement.

Herz praised the committee's proposal as "a new thought, very worth our considering," but a go-slow approach seems likely. The committee also recommended that "the SEC should recommend that the FASB be judicious in issuing new standards and interpretations that expand the use of fair value in areas where it is not already required." The committee also urged FASB to hold off on new fair-value rules until it adopts a "measurement framework to systematically assign" measurement methods to different kinds of business activities.

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**Original Title:**

Mulling the Fair-Value, Historic-Cost Choice

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