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Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856

We are pleased to respond to the proposed FASB Staff Position (FSP) FAS 13-b, "Accounting for Rental Costs Incurred during a Construction Period." We fully support the Board's decision to provide guidance in this area and agree with the conclusion that rental costs associated with ground or building operating leases that are incurred during a construction period should be recognized as rental expense for the reasons cited in the proposed FSP.

The proposed FSP assumes that the construction period will occur before the lessee commences its operations. However, construction could also occur after the lessee begins operations in the leased property. For example, a restaurant operator may decide to change the format of a restaurant some time after operations commence. We believe the conclusion reached in the proposed FSP would apply to rental costs incurred during construction that occurs at any time over the lease term. Therefore, we believe that the Board should clarify that the construction period refers to any period in which construction will occur during the lease term.

We appreciate the opportunity to comment on the proposed FSP and would be pleased to discuss our comments with Board members or the FASB staff. Please direct your questions or comments to Joseph Graziano at (732) 516-5560.

Very truly yours,

/s/ Grant Thornton LLP