

From: Barlow_James
Sent: Wednesday, November 24, 2004 11:58 AM
To: 'Director@fasb.org'
Subject: FSP FAS 109-b - Comment Letter

VIA E-MAIL

November 24, 2004

Letter of Comment No: 10
File Reference: FSPFAS109

Financial Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Proposed FASB Staff Position No. FAS 109-b, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004

Dear Director:

We appreciate the opportunity to respond to the Financial Accounting Standards Board (the "FASB") regarding the Proposed FASB Staff Position No. FAS 109-b, Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 ("FSP 109-b").

We support the FASB's efforts to allow additional time beyond the reporting period in which the Act was enacted in order to allow enterprises to reasonably evaluate the effects of the Act and any potential plans for reinvestment or repatriation of foreign earnings.

As you noted in FSP 109-b, further technical guidance from Congress or the Treasury Department is needed in order to clarify language on key elements of the repatriation provision before an enterprise can determine how to apply the provisions. Accordingly, our current position is that we have not changed our view regarding the permanent reinvestment of these unremitted earnings. That view may change after appropriate internal evaluation and deliberation, including required Board of Directors action, but our basic position is that we simply do not have the ability at this time to make an appropriate, informed and reasonable determination of the effects of this law.

Determining the reasonably possible amounts of repatriation is relatively easy, i.e., zero to some higher number previously reported in an enterprise's financial statement

footnotes. The major problem is estimating the related potential range of income tax effects of such repatriation. Estimating the tax requires an enterprise to run a multitude of calculations on many different scenarios. Without clear guidance from Congress or the Treasury Department, it is nearly impossible to reasonably determine the tax effect of repatriating the foreign earnings. What is the point of giving more time if an enterprise must comply with the disclosure provisions of paragraph 11? This process is exactly what an enterprise needs more time to do.

As such, we respectfully request that you add to the end of paragraph 11.b. a provision that "If the related range of income tax effects of such repatriation cannot be reasonably estimated at the time of issuance of its financial statements, an enterprise should provide a statement to that effect." That provision is consistent with the spirit of SEC codified Topic 11M, Disclosure Of The Impact That Recently Issued Accounting Standards Will Have On The Financial Statements Of The Registrant When Adopted In A Future Period.

Sincerely,

James F. Barlow

Vice President, Corporate Controller

and Principal Accounting Officer

Allergan, Inc.