Letter of Comment No: 4 File Reference: 1099-001 Date Received:

July 16, 2004

VIA email: Director@fasb.org

File Reference 1099-001

Re: Exposure Draft - Proposed Interpretation - Accounting for Conditional Asset Retirement Obligations – an interpretation of FASB Statement No. 143

The Accounting Principles and Auditing Standards Committee of the Florida Institute of Certified Public Accountants (the "Committee") has reviewed and discussed the above referenced "Exposure Draft "(ED). The Committee has the following comments regarding this exposure draft.

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The Committee agrees with the Board's conclusion and also believes that the uncertainty surrounding the timing and method of settlement should not affect whether the fair value of a liability for a conditional asset retirement obligation would be recognized but instead be factored into the measurement of the liability itself.

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The Committee agrees with the Board in that the ability to indefinitely defer settlement of an asset retirement obligation or the ability to sell the asset does not provide the entity discretion to avoid the future sacrifice, nor relieve itself of the obligation.

The Committee could not cite an example where a law or regulation would obligate an entity to perform an asset retirement activity and allow the entity to permanently avoid settling the obligation.

General Comment

The Committee would like to acknowledge to the Board that the Committee felt that the examples provided on pages 4-6 were concise and relevant to the issue as noted in the ED.

The Committee appreciates the opportunity to share our views and concerns. Members of the Committee are available to discuss any questions that you may have regarding this communication.

Very Truly Yours,

Kay Means, CPA, Chair

FICPA Accounting Principles and Auditing

Standards Committee

Kirly M Them

Committee members coordinating this response:

Brian Nemeroff, CPA

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