

Altria Group, Inc. 120 Park Avenue, New York, NY 10017 (917) 663-4000

Letter of Comment No: | O File Reference: FSPFAS109

Mr. Lawrence W. Smith
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Comments on the proposed FASB Staff Position No. 109-b,

"Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004"

Dear Mr. Smith:

We appreciate the opportunity to comment on the proposed FASB Staff Position No. 109-b "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" (the "Proposed FSP"). This letter summarizes our positions and comments on the proposed FSP.

We agree with the Proposed FSP that companies should be allowed additional time beyond the financial reporting period of enactment to evaluate the effect of the American Jobs Creation Act of 2004 ("the Act") on their plans for reinvestment or repatriation of foreign earnings for purposes of applying FASB Statement No. 109, "Accounting for Income Taxes."

Paragraphs 8 and 9 state the following:

- 8. An enterprise in a position to determine the impact of the repatriation provision is required to apply the provisions of Statement 109 in the period in which it makes that determination.
- 9. If that determination is not complete, yet it becomes apparent that a portion of undistributed foreign earnings will be repatriated under the repatriation provision, the enterprise should recognize income tax expense attributable to those remittances in accordance with paragraph 12 of Opinion 23.

We disagree with paragraph 9 of the proposed FSP. We believe that no income taxes should be recognized for any "apparent" repatriation for any portion of undistributed foreign earnings until the entire determination is complete since the potential repatriation amount may change as a company competes its assessment.

Mr. Lawrence W. Smith Page 2 December 1, 2004

Paragraph 11.b. requires disclosure of "the range of reasonably possible amounts that is being considered for repatriation as a result of the repatriation provision and the related potential range of income tax effects of such repatriation."

We believe that the disclosures required by paragraph 11.b. are inconsistent with the provisions of the Proposed FSP since it would be difficult for a company to determine a range of reasonably possible amounts if it is still assessing the Act. In addition, these disclosures may be misleading, as the assessment has not been completed.

If you have any questions, or would like to discuss further, please do not hesitate to contact me.

Very truly yours,

Joseph A. Tiesi Vice President and Controller