Letter of Comment No: 9
File Reference: FSP123R-B
Date Received:

Taubman

September 29, 2005

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

Re: Proposed FASB Staff Position No. FAS 123(R)-b "Practical Exception to the Application of Grant Date as Defined in FASB Statement No. 123(R)"

Dear Mr. Smith:

Taubman Centers, Inc. has reviewed the above-referenced Proposed FASB Staff Position and appreciates the opportunity to comment on it. Taubman Centers, Inc. is a real estate investment trust that is engaged in the ownership, development, acquisition, and operation of regional shopping centers and interests therein. We currently own and/or manage 23 shopping centers in 11 states and have an additional center under construction.

We believe the practical solution offered in the Proposed FASB Staff Position related to application of the concept of "mutual understanding" in determination of the grant date under FASB Statement No. 123(R) is a thoughtful and appropriate response to the issues raised. Besides dealing with the inherent difficulties in designing simultaneous communication to employees, we believe the Proposed Position successfully considers that in companies such as ours:

- Employees already have a general understanding of the most important terms of compensation programs, including the general size of grants and their timing (and thus of the pricing).
- The communication to the employees of grant information represents a notification process, rather than the result of bargaining and negotiating efforts. In that regard, the notification is similar to the "perfunctory" approvals described in Statement No. 123(R) that have no effect on the key terms of the grants.
- The use of the approval date will allow for more cost effective internal control to be exercised over grant valuation, as the probability of administrative errors and evidentiary issues arising from differences in communication dates will be greatly reduced.

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• Corporate governance surrounding grant dates will be strengthened, as the Board of Directors approving the grants can do so with the knowledge of the grant values that will ultimately be recognized in the financial statements.

As a result of these considerations, we encourage the FASB to adopt the Proposed Staff Position.

Thank you for this opportunity to submit our comments regarding the application of the grant date requirements.

Sincerely yours,

/s/ Esther R. Blum

Esther R. Blum Senior Vice President, Controller, and Chief Accounting Officer