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October 2, 2003

Via E-Mail

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Subject: Comments on Proposed FSP 46-e

Kimberly-Clark Corporation appreciates the opportunity to comment on Proposed FASB Staff Position 46-e, Effective Date of FASB Interpretation No. 46, *Consolidation of Variable Interest Entities*, for Certain Interests Held by a Public Company.

We agree with the concept of deferring the effective date of FIN 46 for the entities that meet the first three conditions following the 2nd full paragraph of the proposal. The unstated but apparent reason for the FASB granting deferral was that certain affected entities believed that they would not have sufficient time to complete the analysis of such variable interest entities ("VIE") in a thoughtful and complete manner to determine if they were the primary beneficiary ("PB") and to obtain reliable estimates of the fair values of the assets and liabilities of the VIEs in which they were the VIE. However, the addition of the 4th condition to qualify for deferral ("... has not been completed by the issuance of the financial statements...") coupled with the 2nd part of required disclosure a. for companies that avail themselves of the delay option ("... and the reason for the delay") either requires (1) a company to hurriedly complete the analysis before it files its Form 10-Q, which most often is two or three weeks following release of earnings, and risk having to consolidate entities that at the time of its earnings release it believed should not be consolidated or (2) to simply cease all VIE analysis from the date of the release of the proposal and make required disclosure a. and give the reason for the delay. Although there are many reasons why an entity may not have completed its analysis by the filing of its 3rd quarter 2003 Form 10-Q, it may be difficult to convey that reason in a clear and concise manner in its disclosures. In other words, there may be no "good or convincing" reason to explain why the company did not complete its FIN 46 analysis. For example, either the company admits that it had inadequate resources to comply with FIN 46 or that it had stopped the analysis due to the changing interpretations and general confusion surrounding implementation of FIN 46. Neither explanation would set well with investors and may cause inquiry by the SEC.

Accordingly, we strongly suggest that the Staff include in the final release its reasons for considering the delay and grant a blanket deferral for all entities that

October 2, 2003

Page 2 of 2

qualify under the first three conditions following the 2nd full paragraph of the proposal. Those companies that had completed their analysis and wished to “early adopt” the FASB Staff Position could do so. We further urge the Staff to eliminate the 2nd part of disclosure a. (i.e., the reason for the delay.)

Sincerely,

D.W. Dusendschon
Vice President