JPMorganChase

Joseph L. Sclafani
Executive Vice President and Controller

April 13, 2004

Director of Projects and Technical Activities
Financial Accounting Standards Board
File Reference No. 1200-100
401 Meritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 7
File Reference: 1200-100
Date Received: 4/13/04

Re: Proposed Statement of Financial Accounting Standards, "Inventory Costs – an amendment of ARB No. 43, Chapter 4"

Dear Sir:

J.P. Morgan Chase & Co. appreciates the opportunity to comment on the Financial Accounting Standards Board's Proposed Statement of Financial Accounting Standards, "Inventory Costs – an amendment of ARB No. 43, Chapter 4."

We commend the joint project of the FASB and the IASB to achieve more comparability in cross-border financial reporting through convergence to a single set of high-quality accounting standards and support the short-term project to eliminate certain differences between IASB and United States accounting pronouncements.

We agree with the proposed amendments to paragraph 5 and footnote 2 of ARB No. 43, Chapter 4, to converge the wording of portions of ARB No. 43 related to inventory costs with the proposed changes in IAS 2, which more clearly articulates the principle behind both standards. This will serve to reduce the possibility of inconsistent interpretation of the standards by multinational reporting entities.

Please call David M. Morris at (212) 648-0377 or me if you have any questions.

Very truly yours,

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