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TA & I Director – File Reference No. 1082-300 Financial Accounting Standards Board 401 Merritt 7 P. O. Box 5116 Norwalk, Connecticut 06856-5116

VIA ELECTRONIC MAIL

Although the December 1, 2003 deadline for comments on the proposed modification of FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46), has passed, the results of the ongoing efforts by Constellation Energy Group, Inc. to implement FIN 46 lead us to provide the following comments at this time. Specifically, as we have worked to implement FIN 46, it has become apparent to us that its status (not yet finalized), complexity, farreaching scope, and lack of comprehensive implementation guidance render it extremely difficult to implement by the end of 2003.

For these reasons, we recommend that the FASB delay the required implementation date of FIN 46 for a period of not less than six months after the interpretation has been finalized and FASB has issued both the revised interpretation as well as any additional implementation guidance. In our view, such a deferral is necessary to provide an adequate time period for companies to analyze and implement the extremely complex provisions of FIN 46 in an accurate and comprehensive manner. We believe that this delay, while minimal in terms of the annual reporting cycle, will provide substantial benefits to both financial statement preparers and users in assuring that FIN 46 is applied comprehensively and accurately.

The proposed effective date of the modification of FIN 46, December 31, 2003, is less than one month after the date when the interpretation will be finalized, which presumably could occur no earlier than the FASB's December 10, 2003 meeting. Further, several proposed FSPs related to FIN 46 have not yet been finalized, and the Exposure Draft of the proposed modification of FIN 46 indicates that the FASB is considering providing additional implementation guidance. Implementing the interpretation's provisions, which break much new ground conceptually and require many difficult and highly subjective analyses, is

rendered that much more challenging when the final standard and related interpretive guidance have not been issued less than one month prior to the required effective date.

We believe that an effective date providing a period of at least six months after all guidance has been finalized is necessary in order to evaluate and implement FIN 46 in an appropriate manner. This interpretation introduces an entirely new approach for determining whether consolidation is required and has pervasive effects on a multitude of contractual relationships. Requiring implementation in such a short period after the interpretation is finalized, and during a period when interpretive guidance continues to be issued, simply does not provide an adequate opportunity for companies to review comprehensively the concepts contained in the final interpretation and related FSPs, to analyze the myriad and unexpected contracts that could be affected, and to implement the provisions of FIN 46 comprehensively and accurately.

We appreciate the opportunity to provide our views on these important matters.

Very truly yours,

/s/ Reese K. Feuerman Vice President and Controller Constellation Energy Group, Inc.