PHILIP MORRIS
COMPANIES INC.
120 PARK AVENUE, NEW YORK, N.Y. 10017 · TELEPHONE (917) 663-5000

Letter of Comment No: 62
File Reference: 1123-001
Date Received: 10/30/01

October 30, 2001

Mr. Timothy S. Lucas
Director of Research and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856

Dear Mr. Lucas:

We appreciate the opportunity to comment on the FASB's Proposals for New Agenda Projects "Reporting Information about the Financial Performance of Business Enterprises: Focusing on the Form and Content of Financial Statements" (the "Performance Project") and "Disclosure of Information About Intangible Assets Not Recognized in Financial Statements", (the "Intangible Project").

Performance Project

We do not believe the FASB should add this project to its Agenda. We believe that the current GAAP financial requirements provide relevant and reliable information for assessing financial performance. We feel that any attempt by the FASB to standardize these measures could result in misleading information due to diversity not only between industries but within a specific industry. The SEC has allowed for different interpretations of performance measurements as long as they are appropriately defined.

Intangible Project

We do not believe that the FASB should add this project to its Agenda for we do not feel that the probability of arriving at a meaningful and consistent outcome is high. An attempt to ascribe a value to something that is so subjective, not only to a specific company but to an industry, could result in serious abuses. Each industry and companies within industries have different intangibles and different value drivers associated with those intangibles. We would also anticipate the cost of such an effort to far outweigh the benefits.

In conclusion, we feel that the scope of these projects is too vague and with no defined benefit. We respectfully request that the FASB drop the consideration of these projects from their Agenda.

If you would like to discuss our comments further, please contact me.

Sincerely,

Marie T. Gallagher

Marie T. Gallagher
Assistant Controller

MTG:af