James Hardie

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LETTER OF COMMENT NO. 50

January 3, 2007

Mr. Robert H. Herz
Chairman, Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Chairman Herz:

On behalf of James Hardie Building Products, Inc., I strongly urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on Accounting for Uncertainty in Income Taxes to allow companies sufficient time to address the substantive, procedural, and documentation challenges posed by the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007. The challenges of implementing FIN 48 were articulated by the Tax Executives Institute in a letter it sent to you on December 12, 2006.

The implementation of FIN 48 will be a significant burden to most companies, especially those with international operations. It has been my experience that most tax departments are usually understaffed to begin with and the amount of resources needed to meet the immediate compliance obligations required by FIN 48 will exacerbate the situation. There will likely be inconsistent application of the principles of FIN 48, especially since most of us have not had sufficient time to assimilate and implement all of these new procedures. In addition, I recently read an article on FIN 48 that estimated that the implementation of FIN 48 will increase taxpayer compliance burden costs fivefold. It is simply too much, too soon.

In summary, extending the deadline for implementing FIN 48 will permit companies and their independent auditors to resolve unanswered questions and thus reduce the likelihood of diversity in practice, which in part prompted the development of FIN 48 in the first instance.

Respectfully,

Jim Elliott

Jim Elliott
Global Director of Tax
James Hardie Building Products, Inc.