



communications

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LETTER OF COMMENT NO. 131

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

Dear Chairman Herz:

On behalf of L-3 Communications Holdings, Inc. and Subsidiaries, I strongly urge the Financial Accounting Standards Board ("FASB") 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 to the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007.

FIN 48 alters the financial statement treatment of accounting for uncertainty regarding income tax provisions by shifting the focus from the contingent liability approach of FAS 5 to a detailed analysis of whether each and ever significant tax position is supportable. We must analyze our entire inventory of tax positions in every jurisdiction, for every taxing authority and for every open tax year to understand and document the strengths of the underlying tax positions in accordance with FIN 48. We need sufficient time to analyze the new rules, obtain advice on open questions and develop, adapt and test systems and processes to ensure compliance under Section 404 of Sarbanes-Oxley.

In summary, extending the deadline for implementing FIN 48 will allow us and our independent auditors to fully resolve unanswered questions after thoughtful consideration and discussion. Extending the deadline will also permit the FASB to reduce the diversity of practice surrounding uncertain positions, which in part prompted the issuance of FIN 48.

We appreciate the opportunity to comment on FIN 48 and appreciate your consideration in this matter.

Sincerely,

Lawrence Van Blerkom
Assistant Vice President of Taxes &
Corporate Tax Director
L-3 Communications Corporation