



McDonald's Corporation
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Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116



LETTER OF COMMENT NO. 52

RE: File Reference No. 1510-100

McDonald's Corporation appreciates the opportunity to comment on the Exposure Draft of the Proposed Statement of Financial Accounting Standards, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133*. We support the FASB's efforts to provide information that is more useful and transparent to users of financial statements. The following comments reflect some concerns related to this Exposure Draft for your consideration.

Interim Disclosures

While we have some concerns with the expanded disclosures as noted below, we believe that providing them only on an annual basis is sufficient to address the Board's three objectives of providing an enhanced understanding of: (1) how and why an entity uses derivatives, (2) how derivatives and related hedged items are accounted for and (3) how derivatives affect an entity's financial position, results of operations, and cash flows. Since companies generally do not make significant changes to their derivative strategies on a frequent basis, we believe that interim disclosures should only be required when a material change in the company's use of derivatives takes place.

Maximum loss due to credit risk

We believe that the disclosure of counterparty credit risk as currently required by paragraph 3(d) of the Exposure Draft can be misleading. Stating that the aggregate fair value of derivative instruments in asset positions represents the maximum loss that would be recognized is misleading in situations where netting agreements are in place to protect companies from such loss. We recommend that the maximum loss disclosure be net of liabilities included in netting arrangements.

Tabular Format

We believe that the current proposal could result in a cumbersome tabular disclosure that will be difficult to understand. Since the accounting treatment for derivatives varies by accounting designation, we believe that the format may be more clear and relevant in understanding the accounting impact on the financial statements if disclosed by accounting designation first and underlying risk second. In addition, we believe that companies should have the flexibility to present information in any format that best describes how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations and should not be required to follow the tabular format presented in the Exposure Draft.

McDonald's appreciates the opportunity to express our opinion on this matter. We would be pleased to discuss our comments in greater detail if requested.

Sincerely,

/S/ David M. Pojman
David M. Pojman
Corporate Senior Vice
President - Controller