



LETTER OF COMMENT NO. 1

October 4, 2007

Technical Director
File Reference: Proposed FSP APB 14-a
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Proposed FASB Staff Position APB 14-a

Ladies and Gentlemen:

EMC Corporation appreciates the opportunity to comment on the Board's proposed Staff Position. Our primary concerns center around the FASB's focus on a small component of a much larger addressable topic and the manner in which the Board would require implementation of this standard.

We believe the accounting for convertible debt instruments that may be settled for cash upon conversion has been well understood and consistently applied by registrants under EITF 90-19, "Convertible Bonds with Issuer Option to Settle for Cash Upon Conversion". Knowing that the literature for this type of offering had been in existence for some time and is quite clear, in the fourth quarter of 2006 we undertook a debt offering that followed such structure. Given the broad reliance on this standard, we are concerned with the Board's approach to require those registrants who have issued these convertible instruments to have to retroactively change their accounting.

We believe FASB's desire to nullify such standard should not be undertaken on a piecemeal basis. Rather, the topic is better addressed under FASB's liability and equity project. The issuance of this FSP exposes the risk that the standard impacting these types of instruments could change more than once. We believe that the marketplace and registrants would be better served by the Board undertaking a holistic approach to the entire spectrum of liability and equity instruments.

We also believe that implementing the standard will not be as easy as expected by the Board. In reaching its conclusion, the Board has stated that it expects that the inputs to determine the fair value of non-convertible debt instruments to be available with limited effort as many of these entities currently have non-convertible debt that is outstanding. We believe that a number of registrants with these instruments were only able to access the debt markets through the issuance of a convertible debt instrument and do not necessarily have the ability to accurately determine an interest rate that would have existed for straight debt at the time the security was issued.

Given the Board's intent for the pronouncement to be effective for fiscal years beginning after December 15, 2007, we would recommend the following alternatives in the following order of preference:

1. As mentioned, do not issue any pronouncement at this time but incorporate the issue into the liabilities and equity project. During the interim, the Board should require registrants to disclose the impact to earnings had they bifurcated the instrument into separate components. This would be consistent with the Board's position under SFAS No. 123.
2. Do not apply the provisions to any existing issuances. Rather, implement the new standard on a prospective basis for any new issuances of convertible debt instruments that may be settled for cash upon conversion.
3. At a minimum, the implementation date should be extended until fiscal years beginning after December 15, 2008. Given that the new standard will not be finalized until the end of October at best, we believe registrants will need more time to implement the new standard, including retroactive application.

Sincerely,

Mark Link
Senior VP and Chief Accounting Officer

Irina Simmons
Senior VP and Treasurer