



From: Hodes, Stephen (CarnCorp) [SHodes@carnival.com]
Sent: Friday, March 06, 2009 4:33 PM
To: Director - FASB
Subject: File Reference: Proposed FSP FAS 107-b and APB 28-a

1. Do you agree that the proposed disclosures should apply to all financial instruments currently included within the scope of Statement 107? If not, which financial instruments do you propose should be included within the scope of this proposed FSP?

I do not agree with the proposed FSP because this would require fair value measurement on an interim basis, which will be quarterly for U.S. registrants. The calculation of the fair value of financial instruments on a more frequent basis is unduly burdensome and I believe that the cost to the preparer far outweigh the benefit to any user of the financial statements. Certain financial instruments, for example debt, is entered into in the normal course of business to fund operations and not for trading purposes. Carrying these items on a historical cost basis and disclosing these items on a historical cost basis only, is more rational. SFAS 107 was reasonable in balancing the cost benefits on these disclosures by only requiring annual disclosures. I do not think that we should deter from the SFAS 107 requirements. The Financial Accounting Standard Board should distinguish the needs for regular preparers against the preparers of financial institution financial statements, for whom this information is more meaningful, however for most other preparers, it is unduly burdensome and costly. In addition to the resource cost to prepare the calculation, which require reasonably sophisticated and expensive resources, there is the cost to have the auditor perform their procedures related to these items. Finally, the calculation of the fair values is dated information because it measures the market on a single day in a point in time; subsequent to the balance sheet measurement date the market will have moved, so by the time the users read this information, the fair values will already be "dated" information. Why does the FASB want to allocate shareholders resources to calculate information that is often dated and not useful because most prepares do not trade or record this information?

2. Do you agree that the proposed disclosures should be applicable to all entities covered by Statement 107? If not, which entities do you propose should be exempt from the proposed additional interim reporting requirements?

See comment above about making these requirements applicable to financial institutions.

3. Are the proposed requirements to disclose fair value information for all interim and annual reporting periods ending after March 15, 2009, operational? If not, what would be an appropriate effective date? Why?

This is definitely not operational. At year-end, we plan to obtain all the information required under SFAS 157 to support the fair value calculations. This involves the use of experts, obtaining market related "screen dumps" of information and significant collection and review. At year-end we have 60 days to prepare the 10-K whereas during the quarters we only have 40 days. Unless we invest significant resources in maintaining databases that will keep this information, with quarterly live feeds, this cannot be achieved. For most preparers that that do not have sophisticated treasury systems this would require significant resources. Asking for comments when most registrants are busy with their calendar year-end is not giving the

registrants sufficient time to respond. Also the implementation time line to roll-out at a sophisticated treasury system would require more time.

4. Are the proposed requirements to disclose the method(s) and significant assumptions used to estimate the fair value for all financial instruments for all interim periods subsequent to initial adoption operational? Why or why not?

For most part, because these calculations should/would be prepared on a consistent basis with the calculations at year-end, requiring registrants to repeat this information would simply result in redundancy and would make the Form 10-Q unnecessarily lengthy for users. As a suggestion, maybe require preparers to make a statement that the same assumptions as those that were used at year-end were applied, and if there were any changes in assumptions, then these changed assumptions should be separately disclosed.

STEPHEN HODES

Note:

The above my own comments and do not reflect the comments of my employer or any previous employers. In the interest of time I have not obtained my employer's comments.