

January 5, 2007

Mr. Robert H. Herz
Chairman, Financial Accounting Standards Board
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LETTER OF COMMENT NO. 249

Dear Chairman Herz:

On behalf of Louisiana-Pacific Corporation and Subsidiaries, 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 Tax Executives Institute in a letter it sent to you on December 12, 2006.

I am responsible for conducting the tax affairs of the company, ensuring compliance with the tax laws, and properly reporting the effect of tax positions on its financial statements. Thus, I deal with the tax code in all its complexity, as well as with the Internal Revenue Service and other tax administrators, on a daily basis. As a public company, we are governed by the FASB's pronouncements and are a SEC registrant. We are subject to scrutiny by the IRS and various other agencies in the United States and foreign jurisdictions on a continual basis.

FIN 48 alters the financial statement treatment of accounting for uncertainty regarding income tax positions by shifting the focus from the contingent liability approach of FAS 5 to an analysis of whether each and every tax position is supported at a more likely than not level of confidence. As a result, financial statement issuers must analyze their entire inventory of tax positions – claimed and unclaimed – in every jurisdiction, for every taxing authority, and for every open tax year in order to understand and document the company's position at the effective date.

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When the scope of new guidance is as broad and far reaching as FIN 48, and the potential consequences of inadvertent non-compliance so significant, special care must be taken to accord affected parties sufficient time to analyze the new rules, to obtain advice about open questions, and to develop, adapt, and test systems and processes to ensure compliance. Regrettably, the five-month period between the July 13 release date and December 15 effective date has not been adequate. I submit that the orderly implementation of FIN 48 requires that its effective date be postponed and that the new interpretation be effective no earlier than for fiscal years beginning after December 15, 2007.

While I support the FASB's objective of bringing greater clarity to the accounting for uncertain income tax positions, I regret that the FASB has misapprehended and minimized the challenges that FIN 48 presents to issuers. By moving away from the "as filed" standard of FAS 5, FIN 48 has impelled issuers to revisit nearly every tax position in every open tax year. That burden is tantamount to, and as challenging as, re-filing an income tax return in every jurisdiction for every open tax year. Simply put, there has not been sufficient time between the release of FIN 48 and its stated effective date for companies to complete the necessary analysis and documentation.

Issuers have consistently evaluated various positions taken on tax returns and reached conclusions regarding the propriety of those positions. Issuers are now faced, however, with the daunting task of evaluating whether each position meets the "more likely than not" standard and creating documentation for these conclusions that will be sufficient to satisfy external auditors. In addition, issuers must evaluate a range of potential outcomes to determine the appropriate measurement for each position, which also must be documented. The effort involved with this is enormous, especially for large, multi-entity issuers filing in multiple jurisdictions, such as Louisiana-Pacific Corporation.

Among the key questions for which substantive and process-based guidance is critical to proper FIN 48 compliance are the following:

1. What does "all" mean for purposes of "all income tax positions"? Is there a concept of materiality for purposes of FIN 48 and, if so, what is it?
2. What constitutes "finality" for purposes of FIN 48? For example, is a closing agreement between the IRS and taxpayer pursuant to section

- 7121 of the Internal Revenue Code sufficient where the statute of limitations remains open for additional assessments?
3. What is the proper interface between controls mandated by section 404 of Sarbanes-Oxley, FIN 48, and section 6001 of the Internal Revenue Code?
 4. What constitutes adequate documentation for purposes of FIN 48?
 5. What is the proper and adequate form of presentation of the financial statement disclosures required under FIN 48?
 6. How are companies to monitor and inventory uncertain tax positions?

Without sufficient time to digest the new interpretation, required disclosures may be incomplete (or excessive), inaccurate, and inconsistent and therefore impede rather than advance the objective of providing investors, regulators, and the capital markets appropriate financial statement information about their tax positions.

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,

A handwritten signature in black ink, appearing to read "Dwayne Tofell", is written over a horizontal line.

Dwayne Tofell
Director of Taxes

DT:mjl