

## McDermott Incorporated

January 5, 2007

777 N. Eldridge Parkway Houston, Texas 77079-4425 P. O. Box 218369 Houston, Texas 77218-8369 (281) 870-5100 Fax: (281) 870-5045

www.McDermott.com

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



LETTER OF COMMENT NO. 280

Dear Chairman Herz:

On behalf of McDermott Inc., 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 the Tax Executives Institute in a letter it sent to you on December 12, 2006.

In addition, due to our headquarters being located in New Orleans in 2005, our company, as well as many others, are still suffering the effects of Hurricane Katrina. The delay caused by lost records and relocation prevented us from completing our 2005 federal and state tax return filings by the regular due dates. We are currently working to complete these returns at the present time. The burden of meeting these filing obligations has prevented us from being able to dedicate the necessary resources to implementing FIN 48.

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. The extension would also afford us the opportunity to allocate the appropriate resources for a comprehensive implementation.

Respectfully,

Cheryl Modenbach IRS Audit Manager

McDermott Inc.



## McDermott Incorporated

January 5, 2007

777 N. Eldridge Parkway Houston, Texas 77079-4425 P. O. Box 218369 Houston, Texas 77218-8369 (281) 870-5100 Fax: (281) 870-5045

www.McDermott.com

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

Dear Chairman Herz:

On behalf of McDermott Inc., 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 the Tax Executives Institute in a letter it sent to you on December 12, 2006.

In addition, due to our headquarters being located in New Orleans in 2005, our company, as well as many others, are still suffering the effects of Hurricane Katrina. The delay caused by lost records and relocation prevented us from completing our 2005 federal and state tax return filings by the regular due dates. We are currently working to complete these returns at the present time. The burden of meeting these filing obligations has prevented us from being able to dedicate the necessary resources to implementing FIN 48.

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. The extension would also afford us the opportunity to allocate the appropriate resources for a comprehensive implementation.

Respectfully,

Dominic A. Savarino

Managing Director, Tax Administration

McDermott Inc.



January 5, 2007

777 N. Eldridge Parkway Houston, Texas 77079-4425 P. O. Box 218369 Houston, Texas 77218-8369 (281) 870-5100 Fax: (281) 870-5045

www.McDermott.com

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

## Dear Chairman Herz:

On behalf of McDermott Inc., 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 the Tax Executives Institute in a letter it sent to you on December 12, 2006.

In addition, due to our headquarters being located in New Orleans in 2005, our company, as well as many others, are still suffering the effects of Hurricane Katrina. The delay caused by lost records and relocation prevented us from completing our 2005 federal and state tax return filings by the regular due dates. We are currently working to complete these returns at the present time. The burden of meeting these filing obligations has prevented us from being able to dedicate the necessary resources to implementing FIN 48.

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. The extension would also afford us the opportunity to allocate the appropriate resources for a comprehensive implementation.

Respectfully,

Jell J. Dolhonde

Jill J. Dolhonde;

Director, Tax Administration

McDennott Inc.

1.\Letters\FIN 48 Dolhonde.doc