



LETTER OF COMMENT NO. 30

Morgan Stanley

June 16, 2008

Russell G. Golden
Director of Technical Application and Implementation Activities
FASB
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

By e-mail to: director@fasb.org

Re: Proposed FSP ARB 43-a

Dear Mr. Golden

Morgan Stanley appreciates the opportunity to provide comments in response to the proposed FASB Staff Position ARB 43, *Restatement and Revision of Accounting Research Bulletins* (the "FSP"). We support the Financial Accounting Standards Board's (the "Board") decision to issue the proposed FSP to require that inventories included in an entity's trading activities be initially and subsequently measured at fair value with changes in fair value recognized in earnings. The requirements of this FSP bring us a step closer toward accounting for all trading activities at fair value. For that reason, we support the prompt issuance of the final FSP.

As an additional point, we believe financial reporting could be further improved by moving forward quickly toward the use of fair value as the measurement attribute for all trading activities. Given the use of fair value to risk-manage trading portfolios, we believe the use of fair value as the measurement attribute for all trading activities would provide the most transparency in financial reporting for dealers and more accurately reflect the underlying economics of those activities. For this reason, we urge the Board to move forward with a project to address application of fair value to all trading activities.

Again, we thank you for the opportunity to provide comments and we urge the Board to proceed with the final issuance of the FSP. Please contact me at 212-276-7716 with any questions or comments.

Sincerely,

/s/ Gregory Sigrist
Managing Director
Global Head of Accounting Policy