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LETTER OF COMMENT NO. 416

January 15, 2007

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

Sent via Federal Express

Dear Chairman Herz:

On behalf of Fluor Corporation, 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.

Fluor Corporation is one of the world's largest engineering and construction companies that provide services on a global basis in the fields of engineering, procurement, construction, operations, maintenance and project management. Over 60% of Fluor's consolidated backlog is for international projects located outside the United States. Fluor operates globally through a network of offices in 25 countries across six continents, with 35,000 employees worldwide. Many of Fluor's large projects are located in foreign jurisdictions with uncertain tax laws and unstable judicial systems making the implementation of FIN 48 time consuming and difficult.

In summary, extending the deadline for implementing FIN 48 will permit companies, such as Fluor, 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,

James M. Lucas
Senior Vice President, Tax &
General Tax Counsel