LETTER OF COMMENT NO.

Subject: FW: Proposed FSP FAS 107-a

From: Sletten, Marina [mailto:Marina.Sletten@jti.com]
Sent: Monday, January 12, 2009 6:43 AM
To: Director - FASB
Subject: Proposed FSP FAS 107-a

Response to Question 2:

- We agree that the proposed disclosures should not include financial assets measured at fair value with *changes in fair value recognized through earnings.*

- **In addition, we believe that the proposed disclosures should NOT include FAS 115 assets that are measured at fair value in the balance sheet *IF the entire change in fair value has been recorded in earnings as an OTTI charge*.**

That is because there is no substantive difference between the two categories of assets discussed above.

Consider for example Canadian ABCP held by corporate entities (the market has been frozen since 2007 and ABCP are in technical default). The underlying assets include both LSS (exposure to credit derivatives) and traditional assets (mortgages, leases, etc.) Many ABCP holders recorded large OTTI impairment charges in earnings. Valuing these assets has been difficult and judgmental given limited information available to ABCP holders as well as complete lack of market transactions. We do not believe that requiring information on "incurred loss" amounts improves the quality of information provided to users or increases the comparability.

In addition, we do not believe that the provisions of FSP FAS 107-a should be effective in 2008 as the time to understand and comply with new disclosure requirements is not sufficient for companies that are not financial institutions.

Thank you for considering our comments.

Best regards,
Marina Sletten
Financial Reporting and Accounting Controller
Director
JTI SA