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**VIA E-MAIL**

Technical Director  
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File Reference No. 1620-100  
Financial Accounting Standards Board  
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LETTER OF COMMENT NO. 67

PPG Industries, Inc. (PPG) is pleased to submit its comments on the Proposed Statement of Financial Accounting Standards, "Amendments to FASB Interpretation No. 46(R)." PPG is a Fortune 500 company and a leading global producer of coatings, glass, and chemical products. PPG employs approximately 43,000 employees, worldwide.

This proposed Statement would amend FASB Interpretation No. 46(R) "Consolidation of Variable Interest Entities," ("Interpretation 46(R)"), to require an ongoing assessment to determine whether an entity is a variable interest entity ("VIE") and whether an enterprise/company is the primary beneficiary.

The current Interpretation 46(R) requires reconsideration of VIE and primary beneficiary status only when specific events occur. Reconsideration is required when: (1) the entity's governing documents or contractual arrangements are changed in a manner that changes the characteristics or adequacy of the entity's equity investment at risk, (2) equity investments are returned to equity investors resulting in other interests becoming exposed to expected losses, (3) the entity undertakes additional activities or acquires additional assets beyond those that were anticipated at inception of the entity or the latest reconsideration event that increase the entity's expected losses, or (4) the entity receives an additional equity investment that is at risk or modifies its activities in a way that decreases its expected losses.

The proposed statement would replace the current event-driven approach to reassessing the primary beneficiary with an approach that requires reassessment with the passage of time even though nothing of significance has changed.

Despite the effort to make Interpretation 46(R) more principle-based, we do not concur with the proposed change that would require ongoing assessments of an entity's status as a VIE and a company's status as a primary beneficiary. We believe that reassessment should only be required when a substantive change occurs that increases or decreases an investor's proportionate risk of loss or opportunity for gain. We believe that the proposed reassessment requirement does nothing more than create non-value added work for financial statement preparers.

In addition, the proposed amendments would require a substantial increase in a company's footnote disclosure detail, "even if [it does] not hold a significant variable interest in the variable interest entity." The additional disclosure requirements are purportedly designed to provide more transparent information about an enterprise's involvement in a VIE. We, on the other hand, believe that these additional disclosures are excessive and unnecessary when they pertain to a VIE in which a company does not hold a significant variable interest. We also believe that these additional disclosures for insignificant matters distract the readers of the financial statements from focusing on the more important matters discussed in the notes to the financial statements.

When a company does not have a significant interest in the entity and would not be the primary beneficiary, we object to the proposed requirement to disclose:

- The methodology for determining whether the enterprise is or is not the primary beneficiary of a VIE, the related significant factors considered and significant assumptions and judgments made and whether different assumptions and judgments could have resulted in a different conclusion.
- Qualitative and quantitative information about the company's involvement with the VIE, including the nature, purpose, size and activities of the VIE and how the entity is financed and information to allow users to understand the significant risks of the VIE.
- The company's maximum exposure to loss as a result of its involvement with the VIE and how the maximum exposure is determined and the sources of the company's exposure to the VIE.
- The carrying amount of the VIE in the company's balance sheet.

We recommend that the Board not proceed with adoption of the proposed amendments that would require ongoing assessments to determine whether an entity is a variable interest entity ("VIE") and whether an enterprise is the primary beneficiary. In addition, the final Statement should not require expanded disclosures when a company does not have a significant variable interest in an entity and it is not the primary beneficiary.

We appreciate the opportunity to express our concerns about the proposed amendments to Interpretation 46(R). Should you have any questions regarding our comments, please contact David Navikas, Vice-President and Controller, at 412-434-3812.

Sincerely,



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cc: David Navikas