

Private Company Financial Reporting Committee

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JUDITH H. O'DELL
Chair

February 1, 2008



LETTER OF COMMENT NO. 3

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: Improvements to the FASB's Standards Release Process

Dear Mr. Herz:

At the November 7, 2007 FASB meeting, some FASB members and staff discussed the current process for releasing accounting standards and how private company financial reporting constituents become aware of new standards. The Private Company Financial Reporting Committee ("PCFRC") believes that discussion called into attention a subject which deserves further and more extensive consideration.

Effective financial reporting is advanced if private company financial statement preparers and their CPA practitioners obtain knowledge about new accounting standards in a timely manner and are in a position to implement those new standards by their effective dates. Furthermore, financial statement users need time to understand the implications of new standards on their financial analyses. The current process for releasing new accounting standards and setting their effective dates is not always conducive to helping private company financial reporting constituents become aware of and be in a position to implement new standards in a timely fashion. Therefore the PCFRC believes that the current standards release process should be improved to foster more effective financial reporting in the private company field.

The current development of the FASB Accounting Standards Codification and Research System makes this an ideal time to assess and improve the standards release process. The new Codification will provide real-time updates as new standards are released and incorporated into Codification updates.

The PCFRC suggests that an initiative to improve the standards release process include, but not be limited to, the following:

1. An effort to better understand how knowledge about new standards is disseminated in the private company field.

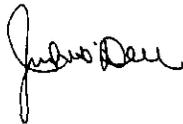
2. An exploration of the advantages and disadvantages of:
 - a. Limiting the issuance of standards to pre-determined and set dates during the year and keeping those dates to a minimum of one or two dates a year.
 - b. Granting an automatic effective date extension (for example, twelve months) to private companies for every standard issued.
 - c. Maintaining "blackout" periods during the year, during which no standards or exposure drafts are released and no standards become effective.
 - d. Setting effective date lead times that take into consideration the needs of private company financial reporting constituents, and setting a standard effective date lead time (for example, eighteen months) for all new standards.

The PCFRC understands that some FASB literature, for example staff positions and EITFs, needs to be issued as quickly as possible to address more pressing accounting matters. However, staff positions that substantially change practice should follow whatever schedule is set for other pronouncements.

The PCFRC is confident that a well-executed initiative to improve the standards release process should result in changes that assist private company financial reporting constituents to become aware of and be able to implement new standards in a timely fashion.

Please feel free to contact me if you have any questions or comments.

Sincerely,



Judith H. O'Dell
Chair
Private Company Financial Reporting Committee