

January 16, 2008

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116



LETTER OF COMMENT NO. 19

File Reference: Proposed FSP FAS 157-b

Dear Mr. Golden:

Citigroup is pleased to have the opportunity to submit comments on the Proposed FASB Staff Position No.157-b *Effective Date of FASB Statement No. 157* (FSP FAS 157-b or the FSP).

Citigroup supports the deferral of FAS 157 for nonfinancial assets and nonfinancial liabilities reported at fair value on a nonrecurring basis for companies that have not yet adopted the provisions of FAS 157.

However, in our view, paragraph 8(a) of the proposed FSP, detailed below, conflicts with the disclosure requirements of paragraph 33 of Statement 157 with respect to nonfinancial assets and nonfinancial liabilities obtained in a business combination.

- Paragraph 8 states, "Examples of items to which the deferral would apply include, but are not limited to:
 - a. Non financial assets and nonfinancial liabilities initially measured at fair value in a business combination or other new basis event, but not measured at fair value in subsequent periods (nonrecurring fair value measurements)"
- Paragraph 33 of Statement 157 states, "For assets and liabilities that are measured at fair value on a nonrecurring basis in periods subsequent to initial recognition (for example, impaired assets), the reporting entity shall disclose..." (emphasis added)

Accordingly, we believe that no disclosure of acquisition-date fair value measurements is required for assets and liabilities (both financial and nonfinancial) acquired in a business combination under FAS 157. Nonrecurring fair value disclosures are only required when a reconsideration event occurs post acquisition (e.g., a write down of an intangible asset to its fair value). However, as currently drafted, paragraph 8(a) of the FSP defers both acquisition-date measurement and disclosure provisions for nonfinancial assets and liabilities acquired in business combinations that are measured at fair value on a nonrecurring basis.

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We don't believe that the Board intends to require including disclosures of acquisitiondate fair values in the scope of FAS 157, since sufficient disclosures are already provided in the business combinations footnote. Paragraph 8(a) of the FSP should be amended to clarify that only the measurement guidance is being deferred. One alternative would be to add the following to paragraph 8(a):

"Under paragraph 33 of Statement 157, no disclosures are required for nonfinancial assets and nonfinancial liabilities obtained in a business combination unless they have been remeasured at fair value (on a nonrecurring basis) subsequent to initial recognition (e.g., impairment of goodwill)."

We thank the Board for its consideration and would welcome the opportunity to further discuss our comments with Board members and their staff. Please do not hesitate to contact me at (212) 559-7721.

Very truly yours,

Robert Traficanti Vice President and Deputy Controller Citigroup Inc.