Benton Cooperative
Telephone Co.
"A cooperative serving your communication needs"

October 31, 2003

Mr. Robert H. Herz, Chairman
Financial Accounting Standards Board
PO Box 5116
Norwalk, CT 06856-5116

director@fasb.org

Dear Chairman Herz:

On behalf of Benton Cooperative Telephone Company and 4,000 members that our Company represents, I appreciate the opportunity to submit written comments on Statement of Financial Acounting Standards No. 150 (SFAS 150).

I wish to express my concern regarding the sever impact that I believe SFAS 150 will have upon Benton Cooperative Telephone Company. I therefore urge that the Financial Accounting Standards Board reconsider its decision to make SFAS 150 applicable to nonpublic entities.

SFAS 150 requires that issuers classify as a liability any financial instrument issued in the forms of shares that is "mandatorily redeemable." A financial instrument is mandatorliy redeemable if it requires the insurer to redeem it by transferring its assets at a specified or determinable date upon an event that is certain to occur. Among such events are death of an individual shareholder of the entity.

SFAS 150 also requires that the issuer recognize a loss at the time of redemption of the mandatorily redeemable financial instrument in the form of shares equal to the excess of the amount of the redemption liability over the amount paid for the shares redeemed.

For years Benton Cooperative Telephone Company have had agreements with its shareholders obligating the cooperative to redeem a shareholder's interest in the cooperative when the shareholder dies. Frequently, these agreements represent the only means for owners of the cooperative to realize the value for their interest other that through the sale of the entity. Moreover, the cooperative itself represents the only source of assets available to enable departing shareholders to realize value for the interests.

Benton Cooperative Telephone Company has operated successfully for many years with redemption agreements in place, without having to recognize the effects of these arrangements directly on its balance sheets, and without creating disclosure or other problems as to its financial condition.

It appears that the practical effects on SFAS 150 is to wipe out the net worth of the entities that are parties to agreements with their owners, obligating the entity to redeem shares when its owners die.

In short, while appreciating the benefit that SFAS 150 can provide in the context of public entities, I reiterate, SFAS 150 will have unduly harsh and unwarranted consequences when applied to the telephone cooperatives, therefore, I respectfully urge the board to act promptly to reconsider or delay its decision to make SFAS 150 applicable to nonpublic entities.

Thank you for your consideration, and for providing the opportunity to submit this comment.

Sincerely,

Cheryl Scapanski
General Manager