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December 19, 2006

LETTER OF COMMENT NO. 8

Mr. Lawrence Smith
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: File Reference No. FSP EITF 03-06-a, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities

Dear Mr. Smith:

PricewaterhouseCoopers LLP appreciates the opportunity to respond to the Financial Accounting Standards Board (FASB or the "Board") on its proposed FASB Staff Position EITF 03-6-a, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities" (the "proposed FSP"). We support the Board's continued efforts to address implementation issues related to FASB Statement No. 128, *Earnings per Share* ("FAS 128").

Overall, we support the issuance of this FSP because it addresses the unresolved discussion in Issue 2(a) of EITF 03-6 and will eliminate diversity in the application of that issue. However, the proposed FSP will not reduce the complexity of the current EPS model for participating securities. In the future we would be supportive of developing an EPS model that better reflects the economic dilution of participating securities to current shareholders.

We agree with the guidance in the proposed FSP that unvested share-based payments awards with rights to dividends or dividend equivalents that provide a noncontingent transfer of value would be considered participating securities. We believe a share-based payment award with these types of dividend rights, whether vested or unvested, would meet the principles of a participating security as described in Issue 2 of EITF 03-6, "Participating Securities and the Two-Class Method under FASB Statement No. 128."

We agree with the proposed FSP that payments of dividends or dividend equivalents accounted for as compensation cost because the share-based payment award is not expected to vest (or does not vest) shall not be included in the earnings allocation in computing basic EPS to avoid inappropriate "double counting" of these payments as a compensation cost in the numerator and as a distribution under the two-class method described in paragraphs 60 and 61 of FAS 128.

If you have any questions on our comments, please contact John Lawton (973-236-7449) or Ken Miller (973-236-7336).

Sincerely,

PricewaterhouseCoopers LLP