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July 31, 2006



Mr. Lawrence W. Smith Director, TA&I—FSP Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Proposed FASB Staff Position No. AUG AIR-a Accounting for Planned Major Maintenance Activities

Dear Mr. Smith:

We appreciate the opportunity to comment on the above-referenced proposed FASB Staff Position (FSP). We would not object to the FSP's proposal to prohibit the use of the accrue-in-advance method of accounting for planned major maintenance activities. We agree that the use of that method results in the recognition of liabilities that do not meet the definition of a liability in FASB Concepts Statement No. 6, *Elements of Financial Statements*. However, while we recognize that there are higher priority projects currently on the FASB's agenda, we believe the Board should eventually reconsider the accounting for property, plant and equipment. As part of this broader project, the Board should continue to work towards convergence which will encompass reconsideration of the remaining accounting alternatives for planned major maintenance activities.

We would be pleased to meet with the Board or its staff to discuss our comments in further detail.

Very truly yours,

Ernet + Young LLP