



LETTER OF COMMENT NO. 31

Technical Director Financial Accounting Standards Board

Re: File Reference: Proposed FSP FIN 48-b

Effective Date of FABS Interpretation No. 48 for Nonpublic Enterprises

We appreciate this opportunity to provide comments regarding the proposed FASB Staff Position FSP FIN 48-b (the FSP) to defer the effective date of FASB Interpretation No. 48 (FIN 48) for nonpublic companies to fiscal years beginning after December 15, 2007. As stated in the FSP, to avoid complexity the Board decided to apply the deferral of FIN 48 to all nonpublic enterprises, as that term is already defined in FAS 109, which includes all private companies, pass-through entities, and not-forprofit organizations. Based upon the discussion during the November 7 Board meeting, the intent and purpose for the deferral was to provide more time for nonpublic enterprises to better understand and implement FIN 48. As a private company we wholeheartedly agree with the intent behind the deferral, and we do need additional time to better understand and implement FIN 48.

One concern is with the restricting provision paragraph 6 which states, "A nonpublic enterprise that adopted the provisions of Interpretation 48 before issuance of this FSP must continue to apply the provisions Interpretation 48." For many private entities, even though a new pronouncement is effective as of the beginning of the year, actual implementation does not occur until year-end closing and participation by the independent auditors. In cases where information is released to third parties, for example to banks where a credit relationship exists, any interim information may be only internal financial statements which may not comply as completely with GAAP as annual audited financial statements, especially in areas such as deferred taxes, impairment assessments, accounting changes, presentation of changes in equity and disclosures. We believe that the act of providing internal financial information to outside parties, particularly when implementation of FIN 48 has not yet been effectuated, should not constitute "adoption" of FIN 48 for purposes of this FSP. We suggest that additional language making this clear is appropriate in the final document.

Thank you for the opportunity to comment on this important issue.

Sincerely,

James C. Haefner Vice President – Enterprise Financial Performance.