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Matthew L. Schroeder
Managing Director
Accounting Policy

Goldman Sachs

April 12, 2007

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

1520-100

LETTER OF COMMENT NO. 23

File Reference No. 1520-100
Re: Valuation Guidance for Financial Reporting

Dear Mr. Smith:

Goldman Sachs appreciates the opportunity to respond to the Board's Invitation to Comment ("ITC") on whether the Board should provide additional Valuation Guidance for Financial Reporting. We do not believe additional valuation guidance is needed and urge the Board not to add such a project to its agenda.

We believe the fair value measurement guidance provided by Statement 157 provides a sufficient framework to measure fair value appropriately. We agree with the observation in the ITC that Statement 157 does not address many detailed or specific valuation issues. In fact, during the deliberation of Statement 157, the Board acknowledged that valuation techniques will differ, depending on the asset or liability and the availability of data, and recommended that preparers use the technique that is appropriate in the circumstances and for which there are sufficient data. The Board consciously chose a principles-based approach, which we and many others supported. Having embarked on that path, we are concerned a valuation standards group could easily turn Statement 157 into a rules-based standard, similar to what happened with Statement 133.

If the Board elects to proceed down a different path, we believe the Board should first allow preparers, auditors and other interested parties sufficient time to adopt and gain experience with the application of Statement 157. After ample time has passed, the Board should analyze whether additional principles-based guidance is needed. Until that happens, it will not be clear whether there is any diversity in practice or whether there are any pressing practice issues that result from the adoption of SFAS 157.

We also believe the Board should retain full authority over any valuation standard group that may be established in the future. As noted in Statement 154, accounting principles include the methods of applying those principles. Since the Board has full authority over accounting principles, it should have full authority over accounting methods.

Finally, we believe most financial institutions are adept at measuring the fair values of the financial instruments they hold. With the rapid pace at which new financial instruments are developed, we do not believe any form of detailed guidance would be able to keep pace with the rate at which financial instruments are developed. Accordingly, if the Board feels guidance is necessary for some fair value measurements, we request that financial instruments be excluded from the scope of the guidance.

Please contact me if we can be of further assistance or if you have questions about our comments.

Sincerely,

Matthew L. Schroeder