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File Reference: Proposed FSP FIN 48-B

Proposed FASB Staff Position No. FIN 48-b, "Effective Date of FASB Interpretation No. 48 for Nonpublic Enterprises"

Dear Mr. Golden:

We are pleased to comment on the above mentioned proposed Financial Accounting Standards Board (FASB or the Board) Staff Position No. FIN 48-b, Effective Date of FASB Interpretation No. 48 for Nonpublic Enterprises" (the proposed FSP). Given the public announcement of the Board's intention to defer FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (Interpretation 48), for nonpublic enterprises, and the corresponding cessation of implementation activities associated with that announcement, Ernst & Young generally supports the issuance of the proposed FSP subject to our comments below.

In November 2007, the Board announced its intention to provide a deferral of Interpretation 48 for nonpublic enterprises that had not already adopted Interpretation 48. Unfortunately, many nonpublic entities believed they were in the scope of the proposed deferral and ceased their implementation and documentation activities until the FASB issued a news release on January 8, 2008, clarifying "adopted". In the January 8th release, the FASB clarified that a nonpublic enterprise would be considered to have adopted Interpretation 48 and therefore would not be eligible for the proposed delay in the effective date of Interpretation 48, if the enterprise has issued financial information that has been prepared in accordance with U.S. GAAP to third parties. It is our understanding that your intention is that this financial information need not be full financial statements and could include debt covenant calculations, call reports, statements of net asset value, and other financial information that is intended to be in accordance with GAAP. Because financial information is defined so broadly and many non-public entities, including pass-through entities, provide financial information to third parties, including investors, lenders and other interested parties, the deferral, as we understand the FASB's intention, will only apply to a very small portion of non-public entities.

In order to reduce the likelihood of continued confusion related to the scope of the deferral, we recommend that the FASB clearly define which entities it is intended to apply to and, if that definition is based on adoption, that adoption be clearly defined. We also believe that if the deferral is only intended to be applicable to a very narrow group of nonpublic enterprises, that intention should also be clearly stated. While we recognize that the additional time and effort associated with developing a clear and comprehensive definition of adoption may not be ideal, the only alternative we have identified would be to extend the deferral to all non-public entities, regardless of whether they have adopted the standard previously. In addition, we would recommend the Board challenge, on a go forward basis, the benefits associated with deferral of accounting standards for portions of the financial reporting community.

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We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,

Ernst + Young LLP