October 9, 2009

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: File Reference No. 1710-100

Dear Mr. Golden:

The Accounting Standards Executive Committee of the American Institute of Certified Public Accountants (AcSEC) is pleased to offer comments on the Exposure Draft, *Improving Disclosures about Fair Value Measurements*.

AcSEC supports the goals of the FASB to increase transparency in fair value measurements. We have no doubt that financial statement users should receive better disclosures related to fair value measurements. However, we believe that what the Board is proposing overshoots the goal and may result in a missed opportunity to provide improved, useful disclosures. AcSEC does not understand how many of the proposed disclosures will be used by equity analysts and creditors, such as bankers and sureties.

In this regard, the FASB should take more time to study what could result in ground-breaking disclosures in GAAP financial statements. AcSEC believes that the FASB should conduct a major outreach to users of public company, private company, employee benefit plan, and not-for-profit entity financial reporting to understand how they would (1) use the disclosures proposed in the ED and (2) offer insight into the type of information they might use that is not currently proposed in the ED. Though we have not performed our own detailed study, AcSEC is comfortable predicting that a one-size-fits-all disclosure of fair value measurements may not be the ideal solution.

We reached out to a number of preparers and practitioners who will have to implement this standard and share their following concerns about the ED.

Operationality – Overall

AcSEC believes that the FASB needs to consider that many entities currently do not necessarily have the information-gathering or mindset processes to implement certain of the proposed disclosures. For example, a board of directors of an investment fund currently may determine a value of securities held by a fund for purposes of transacting fund shares, as well as for financial reporting. The determination of net asset value requires a single estimate and does not accommodate a range in values. Therefore, we do not believe that a disclosure showing a range of fair value is useful when transactions have occurred based on a single estimate.

Operationality - Sensitivity Analysis

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Entities often use a pricing vendor (or broker) to determine level 3 fair value measurements. These vendors often have proprietary pricing models. Therefore, it may be difficult, if not impossible in certain circumstances, for an entity to *effectively* determine reasonably possible alternative level 3 inputs in these situations.

Additionally, certain of the proposed requirements will create a major stress on many participants in the U.S. financial reporting system given the amount of second guessing that occurs after the reasoned judgments made by those acting in good faith. For example, AcSEC believes that the objective-based notion of providing “reasonably possible” alternative level 3 inputs will lead to significant implementation questions and calls to the FASB to provide more definition and specifics around this term. In addition, inputs to models often are interrelated. Changing one input in many cases will require that other inputs also be modified. The number of permutations in even simple models will lead to the disclosure of significant amounts of information with questionable value.

The point of these observations is not to discourage the FASB from further exploring sensitivity disclosures related to level 3 fair value measurements; rather it is to point out that the quality of such disclosures may be lacking even when entities are trying to comply with the spirit of the requirements.

Timing

In part for the reasons stated above, AcSEC believes that the proposed effective dates in the ED are unworkable for many entities and their auditors. With all of the other new standards issued in the past year that are effective in 2009 or 2010, adding the requirements of this ED now will make a difficult situation even more difficult.

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We appreciate the opportunity to provide comments on the ED, and are available to discuss our comments with Board members or staff.

Sincerely,

Jay D. Hanson, Chairman
Accounting Standards Executive Committee