April 25, 2010

VIA EMAIL
International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

Technical Director
File Reference No. 2011-100
Financial Accounting Standards Board of
The Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft: Balance Sheet - Offsetting (Topic 210) ("Proposed Guidance"). Ball Corporation ("the company", "we" or "our") is a U.S.-based Fortune 500, multi-national manufacturer of metal packaging products and of aerospace and other technologies. The FASB and IASB Boards’ ("the Boards") consideration of our comments with respect to the Proposed Guidance is greatly appreciated. Our responses to your issued questions are detailed below.

I. The proposals would require an entity to offset a recognized eligible asset and a recognized eligible liability when the entity has an unconditional and legally enforceable right to offset the eligible liability and intends either:

- To settle the eligible asset and eligible liability on a net basis
- To realize the eligible asset and settle the eligible liability simultaneously

Do you agree with this proposed requirement? If not, why? What criteria would you propose instead and why?

In principle we agree with this proposed guidance, but there are two areas we ask the Boards to further consider. The first area is the master netting provisions that are prevalent in many ISDA derivative agreements. This proposed guidance appears to eliminate the ability of counterparties with master netting provisions to net their hedging positions within their financial statements. This is a long-standing, widely-accepted practice clearly understood by the existing investor community. We do not understand the motivation behind the proposed elimination of this practice. We would ask that more discussion of the presentation of master netting provisions be undertaken by the Boards and consideration given to exclude such arrangements from the scope of the proposed guidance.

The second area of focus is the general comment that this proposed guidance is highly prescriptive in nature which appears to be inconsistent with the other recently-proposed standards that have been circulated for public comment. This is highlighted by the requirement to only offset those assets and
liabilities that simultaneously offset. Such narrow guidance allows no opportunity for the offset of assets and liabilities that settle within the same day, week or accounting period and therefore establishes more of a “rules based” approach to the guidance rather than the principles based guidance that is prevalent in other proposed standards. This “rules based” approach could potentially limit the transparency that the Boards are trying to create. We would ask the Boards to consider a more principles-based approach to this guidance that will establish appropriate guidelines for the allowance of offsetting and require preparers and their auditors to interpret the guidance and provide appropriate disclosures as to the basis for the conclusions reached, consistent with other, recently-proposed standards.

2. Under the proposals, eligible assets and eligible liabilities must be offset if, and only if, they are subject to an unconditional and legally enforceable right of setoff. The proposals specify that an unconditional and legally enforceable right of setoff is enforceable in all circumstances (that is, it is enforceable in the normal course of business and on the default, insolvency, or bankruptcy of a counterparty) and its exercisability is not contingent on a future event. Do you agree with this proposed requirement? If not, why? What would you propose instead and why?

We agree with the proposals that require offset of eligible assets and liabilities, however as noted above we have certain reservations about the restrictive and prescriptive nature of the proposed guidance.

3. The proposals would require offsetting for both bilateral and multilateral setoff arrangements that meet the offsetting criteria. Do you agree that the offsetting criteria should be applied to both bilateral and multilateral setoff arrangements? If not, why? What would you propose instead, and why? What are some of the common situations in which a multilateral right of setoff may be present?

We agree with the proposal to require offsetting of both bilateral and multilateral arrangements, however as noted above we have certain reservations about the restrictive and prescriptive nature of the proposed guidance.

4. Do you agree with the proposed disclosure requirements in paragraphs 11–15? If not, why? How would you propose to amend those requirements and why?

With respect to the proposed disclosure requirements we do not agree that the proposed disclosures would provide a sustainable level of disclosure for preparers. Inherently in your proposal a preparer would, if offsetting is present in the financial statements, be required to show both the offset and gross balances of the qualifying assets and liabilities. As such, we would ask the Boards to reconsider the level of disclosure required and focus on ensuring that the requirements add to the objective of adequate disclosure and transparency without significant, cost ineffective increases in the amount of disclosure required.

5. Do you agree with the proposed transition requirements in Appendix A? If not, why? How would you propose to amend those requirements and why? Please provide an estimate of how long an entity would reasonably require to implement the proposed requirement.

We would ask that if the Boards do not reconsider those items highlighted previously, that the Boards consider prospective adoption of the proposed guidance in light of the significant increase in proposed disclosure requirements and changes that will result from this guidance along with the significant levels of other guidance also being proffered forth. All of this proposed activity will establish significant, sometimes new demands on the time and resources of public companies and we feel the optimal strategy for adoption of this standard would be a prospective adoption of the proposed accounting and disclosure requirements.
Please consider our comments and contact us if you have any further questions regarding our comments on the Proposed Guidance.

Sincerely,

Shawn M. Barker
Vice President and Controller