August 20, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

RE: File Reference No. 1840-100 - Proposed Accounting Standards Update, Disclosure of Certain Loss Contingencies

Eastman Kodak Company (the “Company”) appreciates the opportunity to comment on the Financial Accounting Standards Board’s Proposed Accounting Standards Update, Disclosure of Certain Loss Contingencies (the “Proposed Statement” or the “Proposal”).

We believe that the current disclosure requirements related to loss contingencies provide a more balanced approach than the Proposal with regards to disclosing information to financial statement users to obtain an understanding of the nature of loss contingencies and their potential magnitude and timing while not necessarily requiring preparers of financial statements to disclose prejudicial information.

Our primary concerns with the Proposal are as follows:

• The requirement to disclose remote loss contingencies would be prejudicial, could cause more confusion than clarity, and would not justify the incremental effort required on the part of financial statement issuers.

• The tabular reconciliation requirement, as well as the requirement to disclose accrued amounts for each contingency, or class of contingency, is prejudicial. Requirements already exist to ensure sufficient disclosure for users to understand financial statements, including the potential magnitude and timing of contingencies. Incremental disclosure is not sufficiently beneficial to outweigh the prejudicial nature of that disclosure.

We have provided responses to the following 8 questions (shown in this letter in bold type) noted in the Proposed Statement. We believe our responses provide support for our primary concerns noted above, as well as address additional points of consideration.

**Question 1: Are the proposed disclosures operational? If not, please explain why.**
Response: We believe the process required to generate the proposed disclosures would be less burdensome with the elimination of the disclosure requirements for asserted remote contingencies.

The Proposed Statement notes that “disclosure of asserted but remote loss contingencies may be necessary, due to their nature, potential magnitude, or potential timing (if known) to inform users about the entity’s vulnerability to a potential severe impact.” The Proposal would require evaluation of a significantly greater population of contingencies, each reporting period, to determine if they meet the disclosure threshold as stated in the Proposal.

We do not believe that disclosure should be required for any contingency if the likelihood of loss is remote. We believe any benefit to financial statement users of having a more complete understanding of remote risks does not outweigh the incremental burden on financial statement issuers. In addition, explanations as to why financial statement users should discount these remote risks may be prejudicial to a financial statement issuer’s position in litigation.

Separately, while we believe the interim disclosure requirements in the Proposal would be operational, we believe that interim disclosures would be appropriate only to the extent there are significant changes from annual disclosures.

Question 2: Are the proposed disclosures auditable? If not, please explain why.

Response: We believe the proposed disclosures will result in requests from auditors for information that supports the issuer’s conclusions related to the disclosure of asserted remote contingencies. As this assessment establishes the basis for disclosure, an auditor would need to review the key assumptions utilized by management, including the company’s litigation strategy. Disclosure to auditors of information regarding litigation strategy could result in unintended waivers of the attorney-client privilege and therefore undermine an issuers’ ability to defend or prosecute litigation.

Question 3: The June 2008 FASB Exposure Draft, Disclosure of Certain Loss Contingencies, had proposed certain disclosures based on management’s predictions about a contingency’s resolution. The amendments in this proposed Update would eliminate those disclosure requirements such as estimating when a loss contingency would be resolved and the entity’s maximum exposure to loss. Do you agree that an explicit exemption from disclosing information that is “prejudicial” to the reporting entity is not necessary because the amendments in this proposed Update would:

a. Not require any new disclosures based on management’s predictions about a contingency’s resolution
b. Generally focus on information that is publicly available
c. Relate to amounts already accrued in the financial statements
d. Permit information to be presented on an aggregated basis with other similar loss contingencies?

If not, please explain why.

**Response:** We believe the Proposed Statement does require new disclosures based on management’s predictions about a contingency’s resolution. Therefore, without other changes to the Proposal, we believe that an explicit exemption from disclosing information that is prejudicial to the reporting entity is necessary.

The Proposed Statement requires an entity to disclose any amount accrued for specific contingencies. Disclosure of amounts accrued will reveal management’s predictions about a contingency’s resolution. The information could operate as a floor for settlement negotiations where a more favorable outcome may have been possible. Also, the requirement to disclose a tabular reconciliation, by class, including a description of significant activity in the period would provide insight into management’s predictions about a contingency’s, or class of contingencies’, resolution as well as other prejudicial information. An aggregated tabular reconciliation, as opposed to disaggregated by class, with no description of significant activity in the period would be preferable to the current Proposal as it would provide some protection from prejudicial information being linked to specific contingencies. However, aggregation at this level could still be prejudicial for an entity with a limited number of, or limited activity related to its, contingencies. Therefore, we believe the current requirement to disclose accrued amounts, if necessary for the financial statements not to be misleading, together with a classified balance sheet is a more balanced approach to understanding the potential magnitude and timing of accrued contingencies.

As noted in our response to question 1, we believe qualitative disclosures regarding management’s assessment of potentially significant contingencies as remote would detail management’s predictions about the ultimate resolution of contingencies as well.

A requirement for disclosing an entity’s defense strategy will also provide insight into management’s predictions about a contingency’s resolution.

We do not believe that the level of aggregation permitted in the Proposal, calling for contingencies of sufficiently similar nature, terms, and characteristics, will appropriately mitigate concerns about disclosure of prejudicial information. The typically varying nature, risk profile, and time horizon of contingencies will too often either make aggregation inappropriate or inadequate to avoid revelation of prejudicial information.

In addition to being harmful to pending litigation, the issues noted above will expose companies to an increased risk of further litigation. For these reasons, we believe that the proposed disclosure requirements do not provide sufficient relief from disclosing potentially prejudicial information.
Question 4: Is the proposed effective date operational? If not, please explain why.

Response: As written the proposed effective date is not operational.

While we agree with the FASB’s statement contained in paragraph BC46 that “most of the information required by the proposed amendments already is available,” not all of the required information to support the proposed disclosure requirements is currently being accumulated. Of significant concern are the additional disclosure requirements related to asserted remote contingencies and the tabular reconciliation.

Our accounting systems do not currently accumulate information in the same manner as required by the tabular reconciliation for all loss contingencies included within the proposed scope. Accumulating this information will require a significant effort to ensure completeness and accuracy. Also, sufficient time will be needed to determine the appropriate manner in which to aggregate loss contingencies by class or type. Although companies generally “categorize” loss contingencies already, current categories may need to change based on the aggregation criteria contained within the Proposal.

Further, management will need to perform or update its analysis on asserted remote loss contingencies to determine which, if any, meet the proposed disclosure threshold. Given the scope and nature of the disclosure requirements, additional time will be required to determine if asserted remote loss contingencies could have a potential severe impact on the Company and thus be subject to the proposed disclosure requirements.

We believe that a longer lead time is necessary to ensure appropriate evaluation of contingency disclosures, establishment of protocols, and development of internal controls along with accumulating the supporting documentation necessary for audit purposes. We believe the effective date for the final standard should be as of fiscal years ended after December 15, 2011.

Question 5: Do you believe that the proposed disclosures will enhance and improve the information provided to financial statement users about the nature, potential magnitude, and potential timing (if known) of loss contingencies?

Response: We do not believe that the proposed disclosures will enhance and improve the information provided to financial statement users about the nature, potential magnitude, and potential timing (if known) of loss contingencies to an extent that justifies or outweighs the negative consequences to financial statement issuers.

We also believe that disclosure of remote contingencies may cause more confusion than clarity. Requiring disclosure of remote risks, the ultimate resolution of which will, by definition, likely be more favorable than the remote scenario that triggered disclosure, does not necessarily
provide relevant information to financial statement users about the potential future cash outflows of an entity.

Question 6: Do you agree that nonpublic entities should be exempt from the tabular reconciliation disclosures required in the amendments in this proposed Update? If not, please explain why. Are there any other aspects of the amendments that should be applied differently to nonpublic entities? If so, please identify and explain why.

Response: We believe that the tabular reconciliation disclosure requirements should be eliminated for all entities.

Question 7: The amendments in this proposed Update would defer the effective date for nonpublic entities for one year. Do you agree with the proposed deferral? If not, please explain why.

Response: We believe the effective date should be deferred for all entities for the reasons noted above.

Question 8: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission’s requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

We have no comments regarding this question.

We appreciate your consideration of our opinions, and would be happy to discuss them with you further.

Sincerely,

EASTMAN KODAK COMPANY

[Signature]

Eric H. Samuels
Chief Accounting Officer and Corporate Controller