November 20, 2003

TA & I Director
Financial Accounting Standards
Board of the Financial Accounting Foundation
P. O. Box 5116
Norwalk, CT 01685-5116

Re: Reference No. 1082-300

To Whom It May Concern:

We have been informed that your Board is proposing a new interpretation of the accounting procedures.

We are an independent owner of our franchise. We pay a royalty fee to the franchisor, but the franchisor has no owner interest in our assets. If we are required to consolidate, the franchisor will need to gather GAAP financial information that they may not have a legal right to about our business.

Since we are a small two truck franchise, the costs involved for us could be astronomical. This could be a sure way to cause small businesses such as we are to discontinue doing business.

It is our belief that that the franchise industry should seek clarification in the instance where the franchisor has no equity ownership and its only interest is the fixed rate royalty fee it receives in connection with the franchise agreement. Franchisors should continue to apply the consolidation guidance of ARB 51 and continue to follow FASB Statement No. 45, Accounting for Franchise Fee Revenue.

The effective date of the interpretation should be deferred as it pertains to franchisors to allow thoughtful deliberation of the appropriate accounting for such arrangements and to address the unwieldy transition and implementation issues posed by FIN 46.

I appreciate your consideration of the above statements when you meet to discuss FIN 46.

Sincerely,

Ronnie Woodfield
President