January 5, 2007

Mr. Robert H. Hertz  
Chairman, Financial Accounting Standards Board  
401 Merritt 7  
P. O. Box 5116  
Norwalk, CT 06856-5116

Dear Chairman Herz:

On behalf of Pinnacle Entertainment, Inc. ("Pinnacle"), I strongly urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on Accounting for Uncertainty in Income Taxes to allow companies sufficient time to address the substantive, procedural, and documentation challenges posed by the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007.

Pinnacle is a diversified, multi-jurisdictional owner and operator of gaming entertainment facilities. Pinnacle understands that the challenges of implementing FIN 48 have been articulated by industry groups including the Tax Executive Institute, the Manufacturers Alliance/MAPI, the American Gas Association, the Edison Electric Institute and the Investment Company Institute in letters sent to you on behalf of their members and will not reiterate them all here.

In addition to performing our normal tax functions, Pinnacle’s tax department like most US companies’ tax departments have been given the additional and challenging responsibility of handling the financial reporting under FIN 48. It becomes even more challenging in a situation where there is not sufficient amount of time to comply with the new FIN 48 interpretation. The inability to find resources with the combined financial accounting and tax skills due to the shortage of resources in the marketplace causes us to rely heavily on outside consultants. As a result, the cost to implement FIN 48 is significant for most companies regardless of their size.

As TEI pointed out in its letter to you, “When the scope of new guidance is as broad and far reaching as FIN 48, and the potential consequences of non-compliance so significant, special care must be taken to accord affected parties sufficient time to analyze the new rules, to obtain advice about open questions, and to develop, adapt and test systems and processes to ensure compliance. Regrettably, the five month period between the July 13 release date and the December 15 effective date has not been adequate”.

Pinnacle respectfully requests the FASB extend the deadline for implementing FIN 48 to allow companies adequate time to properly address this very important interpretation.

Respectfully,

Alice Mui  
Vice President, Corporate Taxes

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