January 11, 2007

Director, TA&I-FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Proposed FASB Staff Position No. 158-a,
"Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides"

We appreciate the opportunity to comment on Proposed FASB Staff Position No. 158-a, "Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides" (the "Proposed FSP"). We support the FASB’s efforts to revise the appendices to Statements No. 87, No. 88, and No. 106 and to incorporate the FASB Special Reports on Statements No. 87, No. 88, and No. 106 as appendices to the respective Statements as we believe the proposed changes will streamline the authoritative literature. Further, we support elevating the guidance included in the FASB Special Reports from Level D in the GAAP hierarchy to Level A. Further, subject to our comments below, we are supportive of issuing the Proposed FSP in final form.

We have the following comments on certain proposed amendments to the FASB Special Report on Statement 87 and Statement 88 (Statement 87 and 88 Q&A, respectively).

a. The question and answer in paragraph E7 of the Statement 87 Q&A addresses situations that give rise to net periodic pension cost that is a net credit (that is, net periodic pension income). We do not understand the rationale for eliminating this Q&A as the recognition of net periodic pension income may continue subsequent to the adoption of Statement 158. Accordingly, we recommend not deleting paragraph E7. Should the Board disagree, we recommend adding the basis for deleting this paragraph in the new appendix E of Statement 87.
b. The question and answer in paragraph E64A of the Statement 87 Q&A addresses the accounting implications of the Economic Growth and Tax Relief Reconciliation Act ("EGTRRA"). While we appreciate that the effective date of the EGTRRA has passed, we believe the guidance contained in paragraph E64A provides relevant guidance that, in the right context, may be applied by analogy to changes in law or statute that may arise in the future. Accordingly, we believe it is appropriate to retain this guidance for historical perspective and recommend not deleting paragraph E64A.

c. Paragraph E70 of the Statement 87 Q&A and paragraph C28 of the Statement 88 Q&A both address issues that arise from the use of an early measurement date. While we do not object to the removal of these questions from the guidance after the Statement 158 effective date for the elimination of the early measurement date has passed, we believe the deletion of these questions and answers as part of the Proposed FSP is premature. We believe the guidance in these questions remains applicable and appropriate until the guidance in paragraphs 5 and 6 of Statement 158 are effective. Accordingly, we recommend that these paragraphs be retained in the appendices to the respective statements and reference be included to indicate that the guidance remains relevant until the measurement date provisions of Statement 158 have been applied.

In addition to the comments included herein, we have also identified several additional less significant comments that are primarily editorial in nature. These comments are being provided to the FASB staff under separate cover.

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We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,

Ernst & Young LLP