October 16, 2007

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

Re: Proposed FASB Staff Position APB 14-a – Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement).

Dear Mr. Herz:

While I strongly believe that the Financial Accounting Standards Board should be an independent body that remains insulated from the political process, I am writing to you today to relate my serious concern with the speed of implementation of the proposed FASB Staff Position (FSP) APB 14-a regarding the accounting treatment for certain convertible debt instruments. The proposed FSP APB 14-a would require companies with this type of convertible debt instrument to report increased interest expense beginning January 1, 2008. I believe the current proposed timeline for implementation will not provide adequate time for companies to appropriately prepare for APB 14-a and will not provide investors adequate time to understand the new accounting treatment.

As a Senator from Minnesota, there are a number of companies that I represent which would be negatively impacted by the proposed implementation timing. Furthermore, I understand that there are over 400 companies throughout the United States that would be impacted by this FSP. Companies that would be affected by this change are already in the process of developing and, in many cases, finalizing their calendar 2008 operating budgets. This process is being affected by the uncertainty surrounding interest expense which will be directly impacted by this proposed change.

With the aforementioned in mind, I strongly urge you to reconsider the implementation timing as currently set forth in the FSP. The proposed effective date (January 1, 2008 for calendar year-end companies) does not take into account the process by which companies allocate resources and plan their operations. Implementing the proposed accounting change over a more extended timeframe (such as 2009 for calendar year-end companies) would be more reasonable.

I appreciate your consideration of my concern as FASB finalizes APB 14-a.

Sincerely,

Norm Coleman
United States Senate