



August 7, 2008

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

Re: File Reference 1600-100

Dear Technical Director:

Atheros Communications, Inc. ("Atheros") appreciates the opportunity to comment on the Exposure Draft, *Disclosure of Certain Loss Contingencies*, an amendment to FASB Statements No. 5 *Accounting for Contingencies* ("SFAS 5") and 141 (R) ("the Exposure Draft").

Atheros is a leading developer of highly integrated semiconductor system solutions for communications products, founded in 1998. Our products are used by a broad base of customers, including makers of personal computers, networking equipment and consumer electronic devices. Our revenues in 2007 were \$417 million and we employ 952 people. The wireless, and wired communications markets are characterized by frequent litigation regarding patent and other intellectual property rights. From time to time, we have been party to litigation claims.

We agree with the concerns expressed in the letters to Chairman Herz dated December 4, 2007 by a group of senior litigators from a number of large U.S. corporations (Letter of Comment No. 2) and April 17, 2008 by the Committee on Corporate Reporting of Financial Executives International (Letter of Comment No. 3), regarding disclosure related to litigation. Similar to other respondents we are not aware of any empirical data that suggests SFAS 5, as implemented in practice, has failed to balance between 1) meaningful disclosure and 2) the recognized interest of the company's shareholders in protecting the company's legal position, including maintaining the protection of privileged or confidential information.

Atheros is committed to the concept of improving financial disclosures. However, the disclosure changes proposed in the Exposure Draft, in particular regarding litigation, would be prejudicial to the Company, potentially change the outcome of litigation to the detriment of the Company and ultimately negatively impact shareholder value through increased settlement costs.

For example, intellectual property litigation is far from predictable, with significant changes in amounts claimed as cases move through various phases and courts. Additionally, claimants' demands may be for unlimited dollar amounts. Often the final amounts, if any, arising from the ultimate settlement of claims is materially different from these amounts. Therefore the proposed disclosure requirements could mislead users of financial statements, provide a roadmap to plaintiffs on potential settlements and result in poor decision making where undue weight is given to amounts disclosed in the notes to financial statements. Also, the additional disclosure requirements could be prejudicial to companies and could result in the disclosure of privileged and confidential attorney-client information and work-product. This information could be used as evidence against companies or as an admission of liability, and could provide beneficial information to claimants that could change the outcome of the litigation. Given this alternative we believe that investors will be much better served with the current disclosure requirements in SFAS 5 and we would urge you to not move forward with this amendment.

We would be happy to further discuss our views on this proposal with the FASB members or its staff.

Sincerely.

Jack R. Lazar

Chief Financial Officer &

Vice President of Corporate Development

David D. Torre

Vice President &

Chief Accounting Officer

Declan J. Sharkey

Sr. Director & Corporate Controller