Director of Research and Technical Activities Financial Accounting Standards Board 407 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: File Reference 194-B

Dear Sir:

Thank you for the opportunity for Motorola to comment on the Exposure Draft on Consolidated Financial Statements: Purpose and Policy

Letter of Comment No: 77

File Reference: 1082-194R

Date Received:

We object to the issuance of this pronouncement since we do not feel it clarifies but would only adds confusion to the requirements for consolidation. We believe it will result in inconsistent and non-comparable adoption and will lead to abuses. Although the current requirements for consolidation require some judgement, we have many years of precedent to guide our decisions. We believe that a controlling equity interest is a necessary requirement for control. If there are corrections that need to be made in current practice, lets fix those issues and not develop a whole new, highly subjective, easily abused accounting model. The issuance of this statement would only further confuse operations management and shareholders.

The definitions for control are so unclear that almost any position can be justified. The result will be spending non-value added time to justify the rationale for determining control/lack of control which will be second guessed by both regulators and auditors.

We believe that the Board should remove this issue from its agenda and withdraw the exposure draft.

Sincerely yours,

Tony Knapp Corporate Vice President and Controller Motorola, Inc.

Attachments: Appendix

Issue 1
Does the revised definition, together with the discussion of the characteristics of control and descriptive guidance, help clarify when one entity controls another entity?
NO
Will the revised definition and guidance lead to common understandings and application of this Statement's definition of control?
NO
Issue 2
Will guidance in the form of rebuttable presumptions of control be necessary?
If the exposure draft is withdrawn, no further guidance is necessary.

Do the circumstances described in each of the situations above provide a reasonable basis for presuming that one entity controls another entity in the absence of evidence that demonstrates or proves otherwise.

NO

Appendix

Are they sufficiently clear and operational?

No

Issue 3

Transition and Implications for Interim Reporting

If the exposure draft is withdrawn, no further guidance is necessary.