NATURAL RESOURCE PARTNERS L.P.
601 JEFFERSON STREET, SUITE 3600
HOUSTON, TEXAS 77002
(713) 751-7507

DWIGHT L. DUNLAP
CHIEF FINANCIAL OFFICER AND TREASURER

(713) 751-7514
FAX: (713) 751-7563

February 8, 2008

Mr. Russell G. Golden
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merrill 7
Norwalk, Connecticut 06856-5116
VIA EMAIL: director@fasb.org

EITF0704D2

LETTER OF COMMENT NO. 3

Re: File Reference No. EITF 07-04 – Application of the Two-Class Method under FASB Statement No. 128, *Earnings per Share*, to Master Limited Partnerships

Dear Chairman Golden:

Natural Resource Partners L.P. appreciates the opportunity to comment on the Financial Accounting Standards Board's (FASB's) EITF Issue No. 07-04, Application of the Two-Class Method under FASB Statement No. 128, *Earnings per Share*, to Master Limited Partnerships. The provisions of the draft abstract have direct impact on our company and the manner in which we report earnings. We support the FASB's efforts to provide more consistency in financial reporting. However, as discussed below, we have concern about the desirability of using a different model for computing earnings per unit when earnings are in excess of distributions than when distributions are greater than earnings.

Natural Resource Partners L.P. is a publicly-traded limited partnership formed in April 2002. We engage principally in the business of owning and managing coal properties in the three major coal-producing regions of the United States: Appalachia, the Illinois Basin and the Western United States. Our executive offices are located in Houston, TX and our accounting and engineering offices are located in Huntington, WV. We have in excess of $1.3 billion in assets and a market capitalization in excess of $1.9 billion as of February 7, 2008. Our partnership currently has 64.9 million common units outstanding representing a 98% limited partner interest. The General Partner has a 2% interest in the partnership and 65% of the Incentive Distribution Rights, which participate in cash distributions according to a waterfall formula included in the Partnership Agreement. The remaining Incentive Distribution Rights are held by affiliates of the General Partner. The Partnership Agreement provides certain restrictions on the transfer of the IDRs to others.

The operations of our Partnership appear to be substantially identical to the general description in the background discussion in EITF 07-04 related to master limited partnerships. Also similar to the background discussion, our Partnership Agreement requires us to distribute 100% of the Partnership's available cash, as defined, at the end of each quarter and the allocation of that distribution between the limited partners, the general partner and the IDRs is per the waterfall provisions of the Partnership Agreement. The definition of available cash gives the General Partner, in its sole reasonable discretion, the ability to determine the amount of available cash.

We agree that SFAS 128, *Earnings Per Share*, requires that we apply the two-class method to calculate Earnings Per Unit taking into consideration the distributions required for our Incentive Distribution Rights. We think the methodology in the current Draft Abstract of EITF 07-04 follows the spirit of that guidance and produces results that are consistent with the economic interests of the various classes of ownership of our Partnership.

The purpose of the new guidance is to improve comparability in the financial statements of MLPs. To that end, it would be our recommendation that the scope of the Issue include incentive distribution rights regardless of whether-or-not they are embedded in the general partner interest. Although it has no current impact on our Partnership, we also think that comparability would be further improved if the same mathematical logic is used when earnings exceed distributions and when distributions exceed earnings. The use of the "as if" distributed model when earnings are in excess of cash distributions for MLPs that do not have specific limits on the participation of incentive distribution rights produces results that while thought to improve comparability do not present the economic reality of the operations of the partnership We recognize the uniqueness of the MLP business model and further the uniqueness of incentive distribution rights. However, the use of available cash in those calculations does not produce meaningful information. Disclosures in the financial statements of public MLPs discuss this treatment as a pro forma measurement that is not in accordance with their partnership agreement or the ultimate distribution of earnings.

We think the transition and effective date are appropriate and provide sufficient time for us to understand and apply the new guidance.

We appreciate this opportunity to provide our comments on this proposal and appreciate the fact that you were reluctant to adopt the draft abstract as last exposed for comment.

Sincerely yours,

Dwight L. Dunlap

Chief Financial Officer & Treasurer