

Private Company Financial Reporting Committee

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JUDITH H. O'DELL
Chair

September 23, 2008

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: PCFRC May 30, 2008 Recommendation Letter about FASB Interpretation No. 48, ccounting for Uncertainty in Income Taxes ("FIN 48")

Dear Mr. Herz:

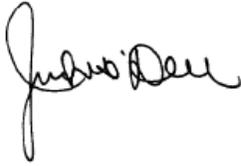
As you know, the Private Company Financial Reporting Committee ("PCFRC") issued a letter on May 30, 2008, recommending that the FASB exempt private companies from all of the requirements of FIN 48. The PCFRC's ongoing and recent interaction and communication from its constituents make clear the need for the FASB to decide directly whether it will honor the PCFRC's May 30th recommendation. The protracted length of time since the PCFRC issued its May 30th recommendation has increased uncertainty among private company financial reporting constituents about FIN 48's ultimate applicability to them, especially since this recommendation has not been placed on the FASB's agenda. Also, as highlighted in the recent FASB-AICPA Technical Issues Committee liaison meeting, pass-through entities are identifying numerous implementation issues as they begin addressing the requirements of FIN 48. Our September 24, 2007 letter had recommended further guidance for pass-through entities. We understand that the FASB staff is working on some disclosure differences for private companies, as a result of the financial reporting user panel held at the FASB's offices in August.

We believe, at this point, the best course of action would be to divide this project into two pieces:

- 1) The FASB should decide quickly about the PCFRC's May 30th recommendation letter asking for a private company exemption from FIN 48 or a further deferral of its effective date. Having at least an agenda date set for this decision would relieve uncertainty in the private company sector.

2) If an exemption is not granted, the FASB should reconsider the disclosure requirements of FIN 48 for all private companies. We were reminded that these disclosures would have to be considered by private companies reporting on the income tax basis. FASB should also consider, for pass-through entities, exemption from FIN 48 or implementation guidance. The steps encompassed in this step should be completed by year end. Please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is fluid and cursive, with a large initial "J" and "O".

Judith H. O'Dell

Chair

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