

Private Company Financial Reporting Committee

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JUDITH H. O'DELL
Chair

May 23, 2008

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

Re: FASB Project, Reconsideration of Interpretation 46(R)

Dear Mr. Herz:

FASB Interpretation 46 (R), *Consolidation of Variable Interest Entities*, continues to be a special focus of interest to private company financial reporting constituents. By means of direct outreach to its Resource Group, and through speaking engagements and presentations, the Private Company Financial Reporting Committee solicits its constituency about the accounting standards that the PCFRC should address. Those private company constituents have consistently expressed a number of concerns about FIN 46(R), and have asked that the PCFRC speak to that standard.

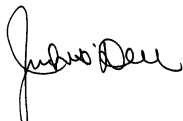
In light of the FASB recently opening a project to reconsider some of the provisions of FIN 46(R), the PCFRC is taking this opportunity to respond to our constituents' requests concerning FIN 46(R). Specifically, the PCFRC asks that the FASB include, in the "Notice for Recipients" section of the forthcoming Exposure Draft on the Reconsideration of FIN 46(R), questions about the issues recipients have with FIN 46(R) in private company financial reporting. In addition to general questions about private company issues, the "Notice for Recipients" should ask private company financial reporting constituents about issues they may encounter with FIN 46(R) as it pertains to:

- 1) The usefulness of financial statements that consolidate non-homogeneous variable interest entities
- 2) Consolidating implicit variable interest entities with a homogeneous nature

3) Consolidating related-party leasing companies, where a natural person owns both the lessor and the lessee reporting operating company.

The PCFRC staff can work with FASB staff to facilitate the inclusion of these private company financial reporting questions into the Exposure Draft. Please feel free to contact me if you have any questions or comments. The PCFRC appreciates the FASB's consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is fluid and cursive, with the first name "Judith" being the most prominent.

Judith H. O'Dell
Chair
Private Company Financial Reporting Committee