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September 21, 2004

Mr. Lawrence W. Smith
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Letter of Comment No: 6
File Reference: EITF03-1
Date Received: 9/22/04

HAND DELIVERED

Reference: EITF 03-01-b

Dear Mr. Smith:

I previously commented on the Board meeting of September 8 when the Board discussed the two proposed FSPs related to EITF 03-1, and I appreciate the Board's consideration of the issues raised in that letter. This is a follow up to that letter. I believe the Board's decision to delay the effective date was entirely appropriate and should be applauded. However, I believe the scope of the delay is too narrow. The Board proposed to delay the effective date of only the provisions of paragraph 16 of EITF Issue 03-1. I believe that some of the issues raised in my earlier letter also affect the instruments addressed in paragraphs 10-15 of the Issue. Specifically, the issues of how to implement the tainting model and how to implement the transition provisions affect all instruments subject to Issue 03-1, not just those subject to paragraph 16. Accordingly, I suggest the Board consider expanding the scope of FSP 03-1-b to cover all of Issue 03-1. A single transition for all provisions of the issue also has the advantage of simplicity.

Sincerely



Timothy S. Lucas
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