

**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 1**

**FACTS about FASB**

# FACTS about FASB 2003–2004

401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116 • [www.fasb.org](http://www.fasb.org)

*Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports. They are officially recognized as authoritative by the Securities and Exchange Commission (Financial Reporting Release No. 1, Section 101) and the American Institute of Certified Public Accountants (Rule 203, Rules of Professional Conduct, as amended May 1973 and May 1979). Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information.*

*The Securities and Exchange Commission (SEC) has statutory authority to establish financial accounting and reporting standards for publicly held companies under the Securities Exchange Act of 1934. Throughout its history, however, the Commission's policy has been to rely on the private sector for this function to the extent that the private sector demonstrates ability to fulfill the responsibility in the public interest.*

## **THE MISSION OF THE FINANCIAL ACCOUNTING STANDARDS BOARD**

The mission of the Financial Accounting Standards Board (FASB) is to establish and improve standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors and users of financial information.

Accounting standards are essential to the efficient functioning of the economy because decisions about the allocation of resources rely heavily on credible, concise, transparent and understandable financial information. Financial information about the operations and financial position of individual entities also is used by the public in making various other kinds of decisions.

To accomplish its mission, the FASB acts to:

- Improve the usefulness of financial reporting by focusing on the primary characteristics of relevance and reliability and on the qualities of comparability and consistency;
- Keep standards current to reflect changes in methods of doing business and changes in the economic environment;
- Consider promptly any significant areas of deficiency in financial reporting that might be improved through the standard-setting process;

---

### **Financial Accounting Standards Board**

*Serving the investing public through transparent information resulting from high-quality financial reporting standards, developed in an independent, private-sector, open due process.*

- Promote the international convergence of accounting standards concurrent with improving the quality of financial reporting; and
- Improve the common understanding of the nature and purposes of information contained in financial reports.

The FASB develops broad accounting concepts as well as standards for financial reporting. It also provides guidance on implementation of standards. Concepts are useful in guiding the Board in establishing standards and in providing a frame of reference, or conceptual framework, for resolving accounting issues. The framework will help to establish reasonable bounds for judgment in preparing financial information and to increase understanding of, and confidence in, financial information on the part of users of financial reports. It also will help the public to understand the nature and limitations of information supplied by financial reporting.

The Board's work on both concepts and standards is based on research aimed at gaining new insights and ideas. Research is conducted by the FASB staff and others, including foreign national and international accounting standard-setting bodies. The Board's activities are open to public participation and observation under the "due process" mandated by formal Rules of Procedure. The FASB actively solicits the views of its various constituencies on accounting issues.

The Board follows certain precepts in the conduct of its activities. They are:

*To be objective in its decision making* and to ensure, insofar as possible, the neutrality of information resulting from its standards. To be neutral, information must report economic activity as faithfully as possible without coloring the image it communicates for the purpose of influencing behavior in any particular direction.

*To weigh carefully the views of its constituents* in developing concepts and standards. However, the ultimate determinant of concepts and standards must be the Board's judgment, based on research, public input and careful deliberation about the usefulness of the resulting information.

*To promulgate standards only when the expected benefits exceed the perceived costs.* While reliable, quantitative cost-benefit calculations are seldom possible, the Board strives to determine that a proposed standard will meet a significant need and that the costs it imposes, compared with possible alternatives, are justified in relation to the overall benefits.

*To bring about needed changes in ways that minimize disruption to the continuity of reporting practice.* Reasonable effective dates and transition provisions are established when new standards are introduced. The Board considers it desirable that change be evolutionary to the extent that it can be accommodated by the need for relevance, reliability, comparability and consistency.

*To review the effects of past decisions* and interpret, amend or replace standards in a timely fashion when such action is indicated.

The FASB is committed to following an open, orderly process for standard setting that precludes placing any particular interest above the interests of the many who rely on financial information. The Board believes that this broad public interest is best served by developing neutral standards that result in accounting for similar transactions and circumstances in a like manner and different transactions and circumstances should be accounted for in a different manner.

## **AN INDEPENDENT STRUCTURE**

### ***Financial Accounting Standards Board (FASB)***

The FASB is part of a structure that is independent of all other business and professional organizations. Before the present structure was created, financial accounting and reporting standards were established first by the Committee on Accounting Procedure of the American Institute of Certified Public Accountants (1936–1959) and then by the Accounting Principles Board, also a part of the AICPA (1959–1973). Pronouncements of those predecessor bodies remain in force unless amended or superseded by the FASB.

### ***Financial Accounting Standards Advisory Council (FASAC)***

The FASAC has responsibility for consulting with the FASB as to technical issues on the Board's agenda, project priorities, matters likely to require the attention of the FASB, selection and organization of task forces and such other matters as may be requested by the FASB or its Chairman. At present, the Council has more than 30 members who are broadly representative of preparers, auditors and users of financial information.

### ***Financial Accounting Foundation (FAF)***

The FAF, which was incorporated to operate exclusively for charitable, educational, scientific and literary purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, is responsible for selecting the members of the FASB and its advisory council, ensuring adequate funding of their activities and exercising general oversight with the exception of the FASB's resolution of technical issues.

### **Governmental Accounting Standards Board**

In 1984, the Foundation established a Governmental Accounting Standards Board (GASB) to set standards of financial accounting and reporting for state and local governmental units. As with the FASB, the Foundation is responsible for selecting its members, ensuring adequate funding and exercising general oversight.

### **Trustees**

The Foundation is separate from all other organizations. However, its Board of Trustees is made up of members from constituent organizations having interest in financial reporting. Nominees from constituent organizations are approved by the Trustees. There also are Trustees-at-large who are not nominated by those organizations, but are chosen by the sitting Trustees. The constituent organizations are:

### *FAF Constituent Organizations*

- American Accounting Association
- American Institute of Certified Public Accountants
- Association for Investment Management and Research
- Financial Executives International
- Government Finance Officers Association
- Institute of Management Accountants
- National Association of State Auditors, Comptrollers and Treasurers
- Securities Industry Association

The members of the FAF Board of Trustees are:

- Manuel H. Johnson (Chairman of the Board and President, FAF), Co-Chairman, Johnson Smick International;
- Stephen C. Patrick (Vice President, FAF), Chief Financial Officer, Colgate-Palmolive Company;
- Judith H. O'Dell (Secretary and Treasurer, FAF), President, O'Dell Valuation Consulting LLC;
- Robert E. Denham, Senior Partner, Munger, Tolles & Olson, LLP;
- Samuel A. DiPiazza, Jr., Chief Executive Officer, PricewaterhouseCoopers;
- Douglas R. Ellsworth, Director of Finance, Village of Schaumburg, Illinois;
- Barbara H. Franklin, President and Chief Executive Officer, Barbara Franklin Enterprises;
- William H. Hansell, Executive Director Emeritus, International City/County Management Association;
- Richard D. Johnson, Former Auditor of State, Iowa;
- Duncan M. McFarland, President, Chief Executive Officer and Managing Partner, Wellington Management Company;
- Frank C. Minter, Retired Vice President and Chief Financial Officer, AT&T International;
- Eugene D. O'Kelly, Chairman and Chief Executive Officer, KPMG LLP;
- Lee N. Price, President and Chief Executive Officer, Price Performance Measurement Systems, Inc.; and
- Jerry J. Weygandt, Andersen Alumni Professor of Accounting, University of Madison-Wisconsin.

### **AN OPEN DECISION-MAKING PROCESS**

Actions of the FASB have an impact on many organizations within the Board's large and diverse constituency. It is essential that the Board's decision-making process be evenhanded. Accordingly, the FASB follows an extensive "due process" that is open to public observation and participation. This process was modeled on the Federal Administrative Procedure Act and, in several respects, is more demanding.

## HOW TOPICS ARE ADDED TO THE FASB'S TECHNICAL AGENDA

The FASB receives many requests for action on various financial accounting and reporting topics from all segments of its diverse constituency, including the SEC. The auditing profession is sensitive to emerging trends in practice and, consequently, it is a frequent source of requests. Requests for action include both new topics and suggested review or reconsideration of existing pronouncements.

The FASB is alert to trends in financial reporting through observation of published reports, liaison with interested organizations and discussions with the EITF—see page seven. In addition, the staff receives many technical inquiries by letter and telephone, which may provide evidence that a particular topic, or aspect of an existing pronouncement, has become a problem. The FASB also is alert to changes in the financial reporting environment that may be brought about by new legislation or regulatory decisions.

The Board turns to many other organizations and groups for advice and information on various matters, including its agenda. Among the groups with which liaison is maintained are the Accounting Standards Executive Committee (AcSEC) and Auditing Standards Board of the AICPA, the International Accounting Standards Board (IASB), and the appropriate committees of such organizations as the Association for Investment Management and Research (AIMR), Financial Executives International (FEI) and Institute of Management Accountants (IMA). As part of the agenda process, the Board may make available for public comment agenda proposals that concisely describe the scope of potential projects. The Financial Accounting Standards Advisory Council (FASAC) regularly reviews the Board's agenda priorities and consults on all major projects added to the technical agenda.

After receiving input from the constituency, the Board must make its own decisions regarding its technical agenda. To aid in the decision-making process, the Board has developed a list of factors to which it refers in evaluating proposed topics.

Those factors include consideration of:

- *Pervasiveness of the issue*—the extent to which an issue is troublesome to users, preparers, auditors or others; the extent to which there is diversity of practice; and the likely duration of the issue (i.e., whether transitory or likely to persist);
- *Alternative solutions*—the extent to which one or more alternative solutions that will improve financial reporting in terms of relevance, reliability and comparability are likely to be developed;
- *Technical feasibility*—the extent to which a technically sound solution can be developed or whether the project under consideration should await completion of other projects;
- *Practical consequences*—the extent to which an improved accounting solution is likely to be acceptable generally, and the extent to which addressing a particular subject (or not addressing it) might cause others to act, e.g., the SEC or Congress;

- *Convergence possibilities*—the extent to which there is an opportunity to eliminate significant differences in standards or practices between the U.S. and other countries with a resulting improvement in the quality of U.S. standards; the extent to which it is likely that a common solution can be reached; and the extent to which any significant impediments to convergence can be identified;
- *Cooperative opportunities*—the extent to which there is international support by one or more other standard setters for undertaking the project jointly or through other cooperative means with the FASB; and
- *Resources*—the extent to which there are adequate resources and expertise available from the FASB, the IASB or another standard setter to complete the project; and whether the FASB can leverage off the resources of another standard setter in addressing the issue (and perhaps thereby add the project at a relatively low incremental cost).

It is not possible to evaluate the above factors in precisely the same way and to the same extent in every instance, but identification of factors to be considered helps to bring about consistent decisions regarding the Board's technical agenda.

### ***Board Meetings***

The core of the Board's due process is open decision-making meetings and exposure of proposed standards for public comment. Every technical project involves a number of Board meetings. The Board meets as many times as necessary to resolve the issues. A major project generally includes dozens of meetings over several years. All meetings are open to public observers, although observers do not participate in the discussions. The agenda for each meeting is announced in advance.

The staff presents written material, including analysis and recommendations, to the Board members in advance as the basis for discussion in a Board meeting. The written material is the result of extensive research by the staff, including a detailed review and analysis of all of the significant alternative views for each issue to be discussed at the meeting. The meeting format calls for oral presentation of a summary of the written materials by the staff, followed by Board discussion of each issue presented and questioning of the staff on the points raised. The Board may reach conclusions on one or more of the issues presented. Any conclusions reached are tentative and may be changed at future Board meetings.

### ***The Exposure Draft***

When the Board has reached conclusions on the issues, the staff is directed to prepare a proposed Exposure Draft for consideration by the Board. After further discussion and revisions, Board members vote by written ballot to issue the Exposure Draft. A majority vote of the Board is required to approve a document. Alternative views, if any, are explained in the document.

The Exposure Draft sets forth the proposed standards of financial accounting and reporting, the proposed effective date and method of transition, background information and an explanation of the basis for the Board's conclusions.

At the end of the exposure period, generally 60 days, all comment letters and position papers are analyzed by the staff. This is a search for new information and persuasive arguments regarding the issues; it is not intended to be simply a “nose count” of how many support or oppose a given point of view. In addition to studying this analysis, Board members review the comment letters to help them in reaching conclusions.

### ***Further Deliberation of the Board***

After the comments have been analyzed and studied, the Board redeliberates the issues. As in earlier stages of the process, all Board meetings are open to public observation. The Board considers comments received on the Exposure Draft, and often incorporates suggested changes in the final document. If substantial modifications appear to be necessary, the Board may decide to issue a revised Exposure Draft for additional public comment. When the Board is satisfied that all reasonable alternatives have been considered adequately, the staff is directed to prepare a draft of a final document for consideration by the Board. A vote is taken on the final document, again by written ballot. Four votes are required for adoption of a pronouncement.

### ***Statements of Financial Accounting Standards***

The final product of most technical projects is a Statement of Financial Accounting Standards (SFAS). Like the Exposure Draft, the Statement sets forth the actual standards, the effective date and method of transition, background information, a brief summary of research done on the project and the basis for the Board’s conclusions, including the reasons for rejecting significant alternative solutions. It also identifies members of the Board voting for and against its issuance and includes reasons for any dissents.

### ***Additional Due Process***

For major projects, the Board generally goes significantly beyond the core due process described above. Soon after a major project is placed on the Board’s technical agenda, a task force or working group usually is appointed, including preparers, auditors and users of financial information who are knowledgeable about the subject matter. Experts from other disciplines also may be appointed. Care is taken to ensure that various points of view on the issues involved are represented.

The task force meets with and advises the Board and staff on the definition and scope of the project, the nature and extent of any additional research that may be needed and the preparation of a discussion document and related material as a basis for public comment. Task force meetings are open to public observers. Task forces and working groups play an important role in the standard-setting process by providing expertise, a diversity of viewpoints and a mechanism for communication with those who may be affected by proposed standards.

Before it begins deliberations on a new major project, the Board often asks the FASB staff to prepare a Discussion Memorandum or other discussion document. The task force provides significant assistance and advice in this effort. The discussion document generally sets forth the definition of the problem, the scope of the project and the financial accounting and reporting issues; discusses research findings and relevant literature; and presents alternative solutions to the issues under consideration and arguments and implications relative to each. The discussion document is published to invite constituents to comment on the project before the Board begins deliberations.

After a discussion document or an Exposure Draft is issued for public comment, the Board may decide to hold a public hearing or a public roundtable meeting. These meetings



provide an opportunity for the Board and staff to ask questions about information and viewpoints offered by constituents who participated in the comment process. Any individual or organization may request to be heard at a public hearing, and the FASB attempts to accommodate all such requests. Public observers are welcome.

### ***Statements of Concepts***

In addition to Statements of Financial Accounting Standards (SFAS), the FASB also issues Statements of Concepts. Those do not establish new standards or require any change in the application of existing accounting principles; instead, they are intended to provide the Board and constituents with a foundation for setting standards and concepts useful as tools for solving problems. The framework defined in the Statements of Concepts helps the Board identify the right questions to ask in structuring technical projects and contributes to a consistent approach over time. Because of their long-range importance, Statements of Concepts are developed under the same extensive due process the FASB follows in developing Statements of Financial Accounting Standards on major topics.

### ***Other Documents***

In addition to broad issues of financial accounting and reporting, the Board considers narrower issues related to implementation of existing standards and other problems arising in practice. Depending on their nature, application and implementation problems may be dealt with by the Board in Statements or Interpretations, by the staff in Technical Bulletins or in Implementation Guidance in question-and-answer form. All of those are subject to discussion at public Board meetings and to exposure for comment, although Technical Bulletins and Implementation Guidance are exposed more narrowly.

### ***Emerging Issues Task Force (EITF)***

The EITF was formed in 1984 in response to the recommendations of the FASB's task force on timely financial reporting guidance and an FASB Invitation to Comment on those recommendations. EITF members are drawn primarily from public accounting firms but also include representatives of large companies. The Chief Accountant of the Securities and Exchange Commission attends EITF meetings regularly as an observer with the privilege of the floor. Lawrence W. Smith, FASB Director, Technical Application and Implementation Activities, also serves as Chairman of the EITF.

Composition of the EITF is designed to include persons in a position to be aware of emerging issues before they become widespread and before divergent practices regarding them become entrenched. Therefore, if the group can reach a consensus on an issue, usually that consensus is taken by the FASB as an indication that no Board action is needed. A consensus is defined as an agreement, provided that no more than two of the thirteen voting members object. Consensus positions of the EITF are considered part of GAAP. If consensus is not possible, it may be an indication that action by the FASB is necessary.

The EITF meets six times a year. Meetings are open to the public and, generally, are attended by substantial numbers of observers. Because interest in the EITF is high, the FASB has separate subscription plans for keeping up-to-date on the issues.

### ***Availability of Publications***

To encourage public comment, Exposure Drafts and other discussion documents are distributed primarily through the FASB website.

Statements of Standards, Statements of Concepts and Interpretations also are distributed broadly when published through FASB subscription plans and may be purchased separately by placing an order at the FASB website.

The FASB strives to keep the public informed of developments on its projects through a monthly newsletter, *The FASB Report*, and a weekly notice, *Action Alert*, which provides notice of upcoming Board meetings and their agendas with brief summaries of actions taken at previous meetings. *Action Alert* is available by e-mail subscription at the FASB website.

### ***FASB Website***

The FASB website includes general information about the Board and its activities, information on upcoming public meetings, announcements of Board actions, summaries and status of all active technical agenda projects, summaries of previously issued FASB Statements and Interpretations, the quarterly plan for FASB projects and information about membership in the Foundation, as well as information on how to order publications online, by phone or mail.

The website can be accessed at [www.fasb.org](http://www.fasb.org).

### ***The Public Record***

Transcripts of public hearings, letters of comment and position papers, research reports and other relevant materials on projects leading to issuance of pronouncements become part of the Board's public record. The public records on all projects are available for inspection in the public reference room at FASB headquarters in Norwalk, Connecticut. Copies of public records also may be purchased at prices that vary according to the volume of material that has to be copied by accessing the FASB website at [www.fasb.org](http://www.fasb.org) or by contacting Records Retention at (203) 847-0700, ext. 270, for more information.

## **ADDITIONAL INFORMATION**

### ***General Information***

For further information about the FASB, including Board meeting schedules, access the FASB website at [www.fasb.org](http://www.fasb.org), call or write Financial Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116, telephone (203) 847-0700 or via e-mail at [director@fasb.org](mailto:director@fasb.org).

### ***To Order Publications***

Statements, Interpretations, Exposure Drafts and other documents published by the FASB may be obtained by placing an order on the FASB website at [www.fasb.org](http://www.fasb.org) or by contacting the FASB Order Department at 1-800-748-0659, weekdays 9:00 a.m. to 5:00 p.m. EST.

### ***Public Hearings and Comment Letters***

For information about submitting written comments on documents or about public hearings, access the FASB website at [www.fasb.org](http://www.fasb.org) or contact the FASB Project Administration Department at (203) 847-0700, ext. 389.

### ***Public Reference Room and Files***

The FASB maintains a public reference room open during office hours, Monday through Friday. The public reference room contains all FASB publications, comment letters on documents and transcripts of public hearings. Copies of this material may be obtained for a specified charge by accessing the FASB website at [www.fasb.org](http://www.fasb.org) or by contacting Records Retention at (203) 847-0700, ext. 270, for an appointment.

\* \* \*

To order additional copies of *FACTS about FASB* without charge, contact Public Relations at (203) 847-0700, ext. 252, or fax a request to (203) 849-9714.

## **MEMBERS OF THE FASB**

The seven members of the FASB serve full time and are required to sever all connections with the firms or institutions they served prior to joining the Board. While collectively they represent diverse backgrounds, they also must possess “knowledge of accounting, finance and business, and a concern for the public interest in matters of financial accounting and reporting.”

Board members are appointed for five-year terms and are eligible for reappointment to one additional five-year term. Expiration dates (at June 30) of current terms are indicated in captions beneath the members’ photographs.

***Robert H. Herz*** was appointed FASB Chairman, effective July 1, 2002. He was a Senior Partner with PricewaterhouseCoopers, its North America Theater Leader of Professional, Technical, Risk & Quality and a member of the firm’s Global and U.S. Boards. He also served as a part-time member of the IASB.

*He joined Price Waterhouse upon graduating from the University of Manchester in England with a B.A.*

*degree in economics. He later joined Coopers & Lybrand as its Senior Technical Partner and later held a similar position with PricewaterhouseCoopers.*

*He has authored numerous publications and chaired the AICPA SEC Regulations Committee, the Transnational Auditors Committee of the International Federation of Accountants and was a member of the EITF.*

***G. Michael Crooch*** was a Partner with Arthur Andersen and Director of the firm’s International Professional Standards Group before joining the FASB on July 1, 2000. Mr. Crooch was the American Institute of Certified Public Accountants’ (AICPA) delegate to the International Accounting Standards Committee (IASC) and served on the IASC’s Executive Committee. He also served on the Institute’s Accounting Standards Executive Committee, including three years as the Committee Chairman. He earned bachelor’s and master’s degrees from Oklahoma State University and a Ph.D. from Michigan State University.

**Leslie F. Seidman** was named to the FASB, effective July 1, 2003. Prior to joining the Board, she managed her own financial reporting consulting firm. Among the previous posts she held were Vice President at J.P. Morgan & Company, where she was responsible for establishing accounting policies, and Assistant Director of Implementation and Practice Issues at the FASB. She started her career as an auditor at Arthur Young & Company. She earned a B.A. degree from Colgate University and an M.S. degree from New York University.

**Edward W. Trott** was appointed as a member of the FASB, effective October 1, 1999. Since 1992, he headed the Accounting Group of KPMG's Department of Professional Practice. Before joining the Board, he was a member of the FASB's Emerging Issues Task Force, the Financial Reporting Committee of the Institute of Management Accountants, the FASB's Advisory Council and the Accounting Standards Executive Committee and Auditing Standards Board of the AICPA. He holds a bachelor's degree from the University of North Carolina and an M.B.A. degree from the University of Texas.

**Katherine Schipper** was appointed to the FASB, effective September 2001. Prior to joining the FASB, she was the L. Palmer Fox Professor of Business Administration at Duke University's Fuqua School of Business. She has served the American Accounting Association (AAA) as President and as Director of Research. She was a member of the FASB's Advisory Council (FASAC) from 1996 to 1999. Ms. Schipper holds a B.A. degree from the University of Dayton and M.B.A., M.A. and Ph.D. degrees from the University of Chicago.

**Gary S. Schieneman** was appointed to the FASB, effective July 1, 2001. Prior to joining the FASB, Mr. Schieneman served as Director, Comparative Global Equity Analysis, of Merrill Lynch. He is a member of the American Institute of Certified Public Accountants (AICPA), the New York Society of Security Analysts and the Association for Investment Management and Research (AIMR). He received a bachelor's degree in accounting from the University of Illinois and earned an M.B.A. degree from New York University.

**George J. Batavick** was named a member of the FASB, effective August 1, 2003. He was previously Comptroller of Texaco Inc. where he had company-wide responsibility for strategy and policy matters covering all aspects of accounting and financial reporting. Prior to this post, he held a number of key positions, including Deputy Comptroller and Director of Internal Auditing. Before joining Texaco, he was with Getty Oil Company. He began his career at Arthur Andersen. He is a graduate of St. Joseph's University in Philadelphia where he earned a B.S. degree.

### **FASB Staff**

The Board is assisted by a staff of approximately 40 professionals drawn from public accounting, industry, academe and government, plus support personnel. The staff works directly with the Board and task forces, conducts research, participates in public hearings, analyzes oral and written comments received from the public and prepares recommendations and drafts of documents for consideration by the Board.

FASB Fellows are an integral part of the research and technical activities staff. The Fellowship program provides the Board the benefit of current experience in industry,

academe and public accounting and offers the Fellows first-hand experience in the accounting standard-setting process. Fellows take a leave of absence from their firms or universities and serve as project managers or consultants on a variety of projects.

**Suzanne Q. Bielstein** is Director, Major Projects and Technical Activities for the FASB. Previously, she served in various capacities at the FASB, including Assistant Director of Technical Research and Project Manager on the business combinations and combinations for not-for-profit organizations. Prior to joining the FASB in early 1999, she spent five years with Caradon plc in two different roles—Vice President of Planning, North America, and Vice President and Corporate Controller of Clarke American Checks, Inc. (a subsidiary of Caradon). Before joining Caradon, Ms. Bielstein was an Audit Partner at KPMG in Boston. Ms. Bielstein earned a B.B.A. degree in accounting from the University of Notre Dame.

**Kimberley Ryan Petrone**, who has been a member of the FASB staff since 1989, was named Director, Planning, Development and Support Activities in April 2002. Previously, Ms. Petrone was a Project Manager on the Board's business combinations project from 1997 through issuance of Statements 141 and 142 in July 2001 and has been involved in a number of other FASB projects. Before joining the FASB, Ms. Petrone was a Corporate Accounting and Financial Reporting Manager with Savin Corporation. Prior to Savin, she was with AMAX Inc. She earned a B.S. degree in accounting from the University of Bridgeport and an M.B.A. degree from the University of Connecticut.

**Lawrence W. Smith** was named Director, Technical Application and Implementation Activities of the FASB in August 2002. Prior to assuming this post, he was a Partner with KPMG for 14 years, headquartered most recently in Stamford, Connecticut. From 1992–1996, Mr. Smith served as a Partner in KPMG's Department of Professional Practice in New York. During his 25-year tenure with KPMG, he served as Engagement Partner and SEC Reviewing Partner on a number of international Fortune 1000 clients. He is a past member of the Technical Standards Subcommittee of the Professional Ethics Committee of the AICPA. Mr. Smith received an M.S. degree in accounting from Northeastern University.

**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 2**

**Recent Materials Commenting on the Importance  
of the FASB's Independence**

## Recent Materials Commenting on the Importance of the FASB's

### Independence

1. Press Release, "Consumer, investor groups urge Congress: Let FASB expense stock options," *Citizen Works*, August 13, 2003
2. Craig Schneider, "Who Rules Accounting? Congress muscles in on FASB – again" *CFO Magazine*, August 4, 2003
3. Paul B.W. Miller and Paul R. Bahnson, "Jukeboxes, Congress and accounting – the remix," *Accountants Media Group*, August 2003
4. Editorial, "Corporate Reform, Year One," *The Washington Post*, July 30, 2003
5. "Shelby Says Congress Should Not Weigh In On Stock Option Expensing," *CongressDaily*, June 30, 2003
6. Beverly Goodman, "Options Fray Goes to Washington," *TheStreet.com*, June 9, 2003
7. Testimony of Paul A. Volcker, Before the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, Committee on Financial Services, June 3, 2003
8. Testimony of The Honorable Roderick M. Hills, Before the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, Committee on Financial Services, United States House of Representatives, June 3, 2003
9. Statement for the record of Damon Silvers, Before the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, Committee on Financial Services, United States House of Representatives, June 3, 2003
10. Testimony of Peter C. Clapman, Before the Committee on Commerce, Science and Transportation, United States Senate, May 20, 2003
11. Julie Kosterlitz, "Fiddling with the FASB," *National Journal*, May 24, 2003
12. Editorial, "No Accounting for Politics," *The Washington Post*, May 21, 2003

13. Jack T. Ciesielski, "Another Options War: The political defense of stock options threatens accounting standards," *Barron's*, May 5, 2003
14. Press Release, "Key Reformers Join Levin and McCain In Opposing Legislation to Derail Stock Option Expensing," *The Honorable Carl Levin*, May 1, 2003



**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 3**

**Members of the User Advisory Council**

**FINANCIAL ACCOUNTING STANDARDS BOARD  
USER ADVISORY COUNCIL**

|                     |   |
|---------------------|---|
| Ms. Jane Adams      | Senior Analyst<br>Maverick Capital, Ltd.<br>767 Fifth Avenue<br>11 <sup>th</sup> Floor<br>New York, NY 10153<br>212-418-6915                |
| Mr. Jeremy C. Bean  | Vice President<br>Morgan Stanley<br>1229 Post Road<br>Fairfield, CT 06430<br>203-319-5140   |
| Mr. Gary Black      | CIO U.S. Equities<br>Goldman Sachs<br>32 Old Slip<br>24 <sup>th</sup> Floor<br>New York, NY 10005<br>212-357-9741                           |
| Mr. Craig Broderick | Managing Director, Credit Risk<br>Management<br>Goldman Sachs<br>32 Old Slip<br>6 <sup>th</sup> Floor<br>New York, NY 10005<br>212-357-1597 |
| Mr. John Casesa     | First Vice President<br>Merrill Lynch<br>4 World Financial Center<br>New York, NY 10080<br>212-449-8431                                     |
| Mr. Mark Casey      | Investment Analyst<br>Capital Research Company<br>One Market Steuart Tower<br>Suite 1800<br>San Francisco, CA 94105<br>415-393-7196         |

|                        |  |
|------------------------|--|
| Mr. Stuart W. Coco     | Managing Director, Chief<br>Research Officer<br>A I M Capital Management<br>11 Greenway Plaza<br>Suite 100<br>Houston, TX 77046<br>713-214-1302            |
| Ms. Diane D'Erasmus    | Senior Vice President<br>HSBC Bank USA<br>452 Fifth Avenue<br>4 <sup>th</sup> Floor<br>New York, NY 10018<br>212-525-8557                                  |
| Ms. Ann Duignan        | Managing Director<br>Bear Stearns & Co.<br>383 Madison Avenue<br>31 <sup>st</sup> Floor<br>New York, NY 10179<br>212-272-4054                              |
| Ms. Alison Emmerich    | Senior Credit Analyst<br>Dreyfus Corporation<br>200 Park Avenue<br>55 <sup>th</sup> Floor<br>New York, NY 10166<br>212-922-7349                            |
| Mr. Robert E. Friedman | Equity Analyst<br>Standard & Poor's<br>55 Water Street<br>44 <sup>th</sup> Floor<br>New York, NY 10041<br>212-438-9515                                     |
| Mr. Steven Gavios      | Senior Managing Analyst and<br>Portfolio Manager<br>Dreyfus Corporation<br>200 Park Avenue<br>55 <sup>th</sup> Floor<br>New York, NY 10166<br>212-922-6118 |

|                          |  |
|--------------------------|--|
| Ms. Betsy Graseck        | Managing Director<br>Morgan Stanley<br>1585 Broadway<br>New York, NY 10036<br>212-761-8473   |
| Mr. Richard T. Greenwood | Managing Director<br>Prudential Fixed Income<br>Two Gateway Center<br>Third Floor<br>Newark, NJ 07102<br>973-802-7104                        |
| Mr. Neville Grusd        | Executive Vice President<br>Merchant Financial Corp.<br>1430 Broadway<br>18 <sup>th</sup> Floor<br>New York, NY 10018<br>212-840-7575        |
| Mr. Trevor Harris        | Managing Director<br>Morgan Stanley Dean Witter<br>1585 Broadway<br>New York, NY 10036<br>212-761-4713                                       |
| Mr. Joseph Higgins       | Director, International Public and<br>Private Investment Grade Bonds<br>TIAA-CREF<br>730 Third Avenue.<br>New York, NY 10017<br>212-916-4690 |
| Mr. Charles Hill         | Director of Research<br>Thomson First Call<br>22 Thomson Place<br>Boston, MA 02210<br>617-856-2459   |
| Mr. Adam Hurwich         | Partner<br>Ulysses Management<br>280 Park Avenue<br>21st Floor<br>West Tower<br>New York, NY 10017<br>212-455-6260                           |

|                          |   |
|--------------------------|---|
| Mr. Raymond Katz         | Senior Managing Director<br>Bear Stearns & Co.<br>383 Madison Avenue<br>33 <sup>rd</sup> Floor<br>New York, NY 10179<br>212-272-6857  |
| Ms. Michelle Kaufman     | Managing Director<br>Morgan Stanley<br>Investment Management<br>1221 Avenue of the Americas<br>New York, NY 10020<br>212-762-9695   |
| Mr. Michael K. Kwatinetz | Managing Partner<br>Azure Capital Partners<br>650 California Street<br>11 <sup>th</sup> Floor<br>San Francisco, CA 94108<br>415-276-5518                                      |
| Mr. Bill Mann            | Senior Analyst<br>The Motley Fool<br>123 N. Pitt Street<br>Alexandria, VA 22314<br>703-254-1317   |
| Ms. Elizabeth F. Mooney  | Portfolio Manager, Director<br>Dresdner RCM Global Investors<br>4 Embarcadero Center<br>San Francisco, CA 94111<br>415-954-5308   |
| Mr. F. Barry Nelson      | Senior Vice President<br>Director of Research<br>Advent Capital Management LLC<br>1065 Avenue of the Americas<br>31 <sup>st</sup> Floor<br>New York, NY 10018<br>212-482-1611 |

|                      |  |
|----------------------|--|
| Ms. Janet Pegg       | Managing Director<br>Bear Stearns & Co.<br>383 Madison Avenue<br>34 <sup>th</sup> Floor<br>New York, NY 10167<br>212-272-4191                  |
| Mr. Steve Percoco    | Sole Proprietor<br>Security Analyst<br>Lark Research Inc.<br>P. O. Box 1131<br>Rahway, NJ 07065<br>732-499-4300                                |
| Ms. Marguerite Piret | President and Chief Executive Officer<br>Newbury Piret & Co.<br>One Boston Place<br>28 <sup>th</sup> Floor<br>Boston, MA 02108<br>617-367-7300 |
| Mr. Adam Quinton     | First Vice President<br>Merrill Lynch<br>4 World Financial Center<br>New York, NY 10080<br>212-449-5631  |
| Mr. John F. Richards | Managing Partner<br>Crabtree Ventures, LLC<br>1200 Central Avenue<br>Suite 375<br>Wilmette, IL 60091<br>847-441-4240                           |
| Mr. John Robertson   | Managing Director, Risk Management<br>Wachovia Corporation<br>191 Peachtree Street<br>Mail Code GA 8088<br>Atlanta, GA 30303<br>404-332-5730   |
| Mr. Austin Rodgers   | Managing Director, Risk Management<br>Wachovia Corporation<br>301 South College Street<br>Charlotte, NC 28288-0004<br>704-374-6651             |

|                      |  |
|----------------------|--|
| Mr. Edward Schreiber | Executive Vice President, Chief Risk Officer and Regulatory Liaison<br>Banknorth Group, Inc.<br>Two Portland Square<br>P. O. Box 9540<br>Portland, ME 04112-9540<br>207-828-7057 |
| Ms. Linda Selbach    | Corporate Governance<br>Financial Analyst<br>Barclay's Global Investors<br>45 Fremont Street<br>5 <sup>th</sup> Floor Mailroom<br>San Francisco, CA 94105<br>415-597-2612        |
| Mr. Robert Sharps    | Portfolio Manager<br>T. Rowe Price Group, Inc.<br>100 E. Pratt Street<br>Baltimore, MD 21202-1009<br>410-345-4533  |
| Mr. Damon A. Silvers | Associate General Counsel<br>AFL-CIO<br>815 Sixteenth Street, N.W.<br>Washington, DC 20006<br>202-637-3953   |
| Ms. Rita J. Spitz    | Principal<br>William Blair & Company, LLC<br>222 West Adams Street<br>Chicago, IL 60606<br>312-364-8158  |
| Mr. Scott Sprinzen   | Managing Director<br>Standard & Poor's—Corporate & Government Ratings<br>55 Water Street<br>39 <sup>th</sup> Floor<br>New York, NY 10041<br>212-438-7812                         |

Mr. Robert Treanor

Executive Vice President and  
Deputy Chief Credit Officer  
HSBC Bank USA  
452 Fifth Avenue  
3<sup>rd</sup> Floor  
New York, NY 10018  
212-525-6561

Mr. James Wei

Director  
Merrill Lynch Investment Managers  
800 Scudders Mill Road  
1<sup>st</sup> Floor, Section 1D  
Plainsboro, NJ 08536-1606  
609-282-4067



**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 4**

**Members of the Financial Accounting Standards Advisory Council**



**FINANCIAL ACCOUNTING STANDARDS ADVISORY COUNCIL MEMBERS**

September 1, 2003

|                        |   |
|------------------------|---|
| Mr. Alan W. Anderson   | Senior Vice President—Member<br>and Public Interests<br>American Institute of Certified<br>Public Accountants<br>1211 Avenue of the Americas<br>New York, NY 10036-8775<br>212-596-6144 |
| Mr. William E. Balhoff | Audit Director<br>Postlethwaite & Netterville<br>8550 United Plaza Blvd.<br>Suite 1001<br>Baton Rouge, LA 70809<br>225-922-4600   |
| Mr. Raymond J. Bromark | Partner<br>PricewaterhouseCoopers<br>500 Campus Drive<br>Florham Park, NJ 07932<br>973-236-7781   |
| Barry A. Brooks, Esq.  | Partner and Chair, New York Office<br>Paul, Hastings, Janofsky &<br>Walker LLP<br>75 East 55 <sup>th</sup> Street<br>New York, NY 10022-3205<br>212-318-6077                            |
| Mr. Kelly Bulloch      | Treasurer & Controller<br>Koch Industries, Inc.<br>4111 East 37 <sup>th</sup> Street, N.<br>Wichita, KS 67220<br>316-828-7322   |

Ms. Susan L. Decker

Executive Vice President Finance  
and Administration and Chief  
Financial Officer  
Yahoo!, Inc.  
701 First Avenue  
Sunnyvale, CA 94089  
408-349-7345

Dr. Joel S. Demski

Frederick E. Fisher Eminent Scholar  
in Accounting  
University of Florida, Fisher School of  
Accounting, College of Business  
Administration  
P. O. Box 117166  
Gainesville, FL 32611-7166  
352-392-7597

Mr. Gary P. Fayard

Senior Vice President and  
Chief Financial Officer  
The Coca-Cola Company  
One Coca-Cola Plaza  
Atlanta, GA 30313  
404-676-3005

Mr. Robert E. Friedman

Equity Analyst  
Standard & Poor's  
55 Water Street  
44<sup>th</sup> Floor  
New York, NY 10041  
212-438-9515

Mr. Kenneth A. Goldman

Senior Vice President Finance  
and Administration and  
Chief Financial Officer  
Siebel Systems, Inc.  
2207 Bridgepointe Parkway  
San Mateo, CA 94404-5009  
650-295-6082

Mr. John M. Guinan

Partner In Charge—Accounting  
KPMG LLP  
280 Park Avenue  
8<sup>th</sup> Floor  
New York, NY 10017  
212-909-5449

|                          |   |
|--------------------------|---|
| Mr. Donald D. Humphreys  | Vice President and Controller<br>Exxon Mobil Corporation<br>5959 Las Colinas Blvd.<br>Irving, TX 75039-2298<br>972-444-1202   |
| Mr. David M. Jones       | President and Chief Executive Officer<br>DMJ Advisors<br><u>Mail Address:</u><br>c/o Jennifer Jones, Esq.<br>110 Glenrock Road<br>Cedar Grove, NJ 07009<br>973-571-0778 |
| Mr. Michael K. Kwatinetz | General Partner<br>Azure Capital Partners<br>650 California Street<br>11 <sup>th</sup> Floor<br>San Francisco, CA 94108<br>415-276-5518                                 |
| Mr. Marc E. Lackritz     | President<br>Securities Industry Association<br>1425 K Street, N.W.—7 <sup>th</sup> Floor<br>Washington, DC 20005<br>202-216-2015                                       |
| Mr. Alan G. Levin        | Senior Vice President of Finance<br>Pfizer Inc<br>50 Pequot Avenue<br>New London, CT 06320<br>860-732-2455  |
| Ms. Elizabeth F. Mooney  | Portfolio Manager, Director<br>Dresdner RCM Global Investors<br>4 Embarcadero Center<br>San Francisco, CA 94111<br>415-954-5308   |

|                        |  |
|------------------------|--|
| Mr. Edward E. Nusbaum  | Executive Partner & Chief<br>Executive Officer<br>Grant Thornton LLP<br>Suite 3100<br>Two Commerce Square<br>2001 Market Street<br>Philadelphia, PA 19103<br>215-656-3061              |
| Ms. Janet L. Pegg      | Managing Director<br>Bear Stearns & Co.<br>383 Madison Avenue<br>34 <sup>th</sup> Floor<br>New York, NY 10167<br>212-272-4191  |
| Mr. John F. Richards   | Managing Partner<br>Crabtree Ventures, LLC<br>790 Frontage Road, Suite 301<br>Northfield, IL 60093<br>847-441-4240   |
| Mr. David B. Rickard   | Executive Vice President, Chief<br>Financial Officer and Chief<br>Administrative Officer<br>CVS Corporation<br>One CVS Drive<br>Woonsocket, RI 02895<br>401-770-3660                   |
| Mr. L. Hal Rogero, Jr. | Financial Reporting Committee<br>Institute of Management Accountants<br>Assistant Comptroller<br>MeadWestvaco Corporation<br>2299 Briggs Road<br>Centerville, OH 45459<br>937-495-3483 |
| Mr. James R. Ryan      | Vice President—Investor Relations<br>Lockheed Martin Corporation<br>6801 Rockledge Drive<br>Bethesda, MD 20817<br>301-897-6584   |

|                        |   |
|------------------------|---|
| Dr. Stephen G. Ryan    | Robert Stovall Faculty Fellow<br>Stern School of Business<br>New York University<br>426 Tisch Hall, 40 W. 4 <sup>th</sup> Street<br>New York, NY 10012<br>212 998-0020    |
| Ms. Colleen A. Sayther | President and Chief Executive Officer<br>Financial Executives International<br>200 Campus Drive<br>Box 674<br>Florham Park, NJ 07932-0674<br>973-765-1001                 |
| Mr. Joseph L. Sclafani | Executive Vice President &<br>Corporate Controller<br>J.P. Morgan Chase & Co.<br>270 Park Avenue<br>New York, NY 10017-2070<br>212-270-7559                               |
| Ms. Rita J. Spitz      | Principal<br>William Blair & Company, LLC<br>222 West Adams Street<br>Chicago, IL 60606<br>312-364-8158   |
| Dr. Mary S. Stone      | Hugh Culverhouse Endowed<br>Chair of Accountancy<br>Culverhouse School of Accountancy<br>University of Alabama<br>Box 870220<br>Tuscaloosa, AL 35487-0220<br>205-348-2915 |
| Mr. Richard J. Swift   | Chairman<br>Financial Accounting Standards<br>Advisory Council<br>401 Merritt 7<br>P. O. Box 5116<br>Norwalk, CT 06856-5116<br>203-847-0700, ext. 315                     |

Mr. Scott M. Waite  
Senior Vice President and Chief  
Financial Officer  
Patelco Credit Union  
156 Second Street  
San Francisco, CA 94105  
415-442-7158

Mr. David M. Walker  
Comptroller General of the  
United States  
General Accounting Office  
441 G Street, N.W.—Room 7100  
Washington, DC 20548  
202-512-5500

Mr. Gregory G. Weaver  
National Managing Partner—  
Assurance Services  
Deloitte & Touche LLP  
1633 Broadway  
New York, NY 10019  
212-436-3942

Mr. Michael C. Wilhelm  
Senior Vice President—Accounting  
E.ON AG  
Bennigsenplatz 1  
D-40474 Dusseldorf  
Germany  
011-49-211-4579-200

Ms. Teresa S. Polley, 203-956-5320  
Executive Director—FASAC

Mrs. Roberta Small, 203-956-5304  
Administrative Assistant—FASAC

Financial Accounting Standards Advisory Council  
401 Merritt 7—P. O. Box 5116  
Norwalk, CT 06856-5116  
(203) 847-0700, 203-956-5315

**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 5**

**Members of the Emerging Issues Task Force**



# Emerging Issues Task Force

## MEMBERS AS OF NOVEMBER 2003

### **Task Force Chairman:**

Mr. Lawrence W. Smith  
FASB  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116  
(203) 847-0700  
FAX (203) 849-9714  
eitf@fasb.org

### **Task Force Members:**

Mr. Frank H. Brod  
The Dow Chemical Company

Mr. Jack T. Ciesielski  
R.G. Associates, Inc.

Mr. Mitchell A. Danaher  
General Electric Company

Mr. Leland E. Graul  
BDO Seidman, LLP

Mr. Joseph Graziano  
Grant Thornton LLP

Mr. John M. Guinan  
KPMG LLP

Mr. Stuart H. Harden  
Hemming Morse, Inc.

Mr. David L. Holman  
Ernst & Young LLP

Mr. James A. Johnson  
Deloitte & Touche LLP

Mr. David B. Kaplan  
PricewaterhouseCoopers LLP

Mr. Louis W. Matusiak, Jr.  
BKD LLP

Mr. Tony Sondhi  
A. C. Sondhi & Associates, LLC

Mr. Richard H. Stock  
Exxon Mobil Corporation

**PARTICIPATING OBSERVERS**

Mr. Mark Bielstein (AcSEC)  
KPMG LLP

Mr. Scott A. Taub  
Securities & Exchange Commission

**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 6**

**FASB Public Liaison Meetings Since January 2003**

## **FASB Public Liaison Meetings Since January 2003**

National Investor Relations  
AICPA Private Companies Practice Section Technical Issues Committee  
American Gas Association  
American Academy of Actuaries  
Edison Electric Institute  
Risk Management Association  
New York Society of Security Analysts  
Institute of Management Accountants  
American Council of Life Insurers  
Financial Institutions Accounting Committee  
AICPA Accounting Standards Executive Committee  
Equipment Leasing Association  
Healthcare Financial Management Association  
Financial Executives International  
American Accounting Association  
Association for Investment Management and Research  
American Bar Association  
National Association of College and University Business Officers  
American Bankers Association

**Testimony of  
Robert H. Herz  
Chairman  
Financial Accounting Standards Board  
Before the  
Subcommittee on Securities and Investment of the Committee on Banking,  
Housing, and Urban Affairs  
November 12, 2003**

**Attachment 7**

**FASB Member and Staff Speaking Engagements Since January 2003**

FASB SUMMARY OF SPEECHES DELIVERED  
IN JANUARY 2003

| <u>DATE</u> | <u>GROUP</u>   | <u>LOCATION</u> | <u>SPEAKER</u> | <u>CATEGORY</u> |
|-------------|--|-----------------|----------------|-----------------|
| Jan. 4-7    | City University of Hong Kong                                     | Shanghai, China | Schipper       | Academe         |
| Jan. 9      | American Council of Life Insurers<br>Executive Roundtable (ACLI) | Boca Raton, FL  | Foster         | Preparers       |
| Jan. 9      | Financial Executives Institute                                   | Longmeadow, MA  | Such*          | Preparers       |
| Jan. 16     | Harvard Business School  | Harvard, MA     | Herz           | Academe         |
| Jan. 16     | Federal Energy Regulatory Commission                             | Washington, DC  | Foster*        | Other           |
| Jan. 31     | American Accounting Association                                  | Orlando, FL     | Schipper       | Academe         |
| Jan. 31     | American University  | Washington, DC  | Herz           | Academe         |
| Jan. 31     | University of Michigan   | Ann Arbor, MI   | Crooch         | Univ-Sponsored  |

FASB SUMMARY OF SPEECHES DELIVERED  
IN FEBRUARY 2003

| <u>DATE</u> | <u>GROUP</u>  | <u>LOCATION</u>  | <u>SPEAKER</u> | <u>CATEGORY</u> |
|-------------|---|------------------|----------------|-----------------|
| Feb. 3      | Accounting Program Leadership Group   | New Orleans, LA  | Leisenring     | Academe         |
| Feb. 3      | NASD International Securities Symposium   | Cambridge, MA    | Herz           | Users           |
| Feb. 3      | Pace University Conference  | New York, NY     | Schipper       | Academe         |
| Feb. 5      | Information Management Network  | Phoenix, AZ      | Lott*          | Preparers       |
| Feb. 7      | American Accounting Association   | Orlando, FL      | Leisenring     | Academe         |
| Feb. 7      | Directors Consortium  | Philadelphia, PA | Schipper       | Other           |
| Feb. 7      | American Law Institute/American Bar Association,                                  | Washington, DC   | Mahoney        | Legal           |
| Feb. 14     | University of Delaware  | Newark, DE       | Schipper       | Academe         |
| Feb. 18     | Dartmouth University, Tuck School of Business                                     | Hanover, NH      | Schieneman     | Academe         |
| Feb. 24     | The Center for Business Intelligence – Governance, Compliance & Rptg., Conference | New York, NY     | Wulff          | Preparers       |
| Feb. 28     | Deloitte & Touche/American Accounting Association Trueblood Seminar               | Scottsdale, AZ   | Schipper/Herz  | Academe         |

FASB SUMMARY OF SPEECHES DELIVERED  
IN MARCH 2003

| <u>DATE</u> | <u>GROUP</u>  | <u>LOCATION</u> | <u>SPEAKER</u> | <u>CATEGORY</u>      |
|-------------|---|-----------------|----------------|----------------------|
| Mar. 11     | Federal Deposit Insurance Company                                   | Baltimore, MD   | Mahoney        | Gov't                |
| Mar. 13     | Financial Executives International                                  | Bethlehem, PA   | Trott          | Preparers            |
| Mar. 14     | Duke Directors Education Institute                                  | Durham, NC      | Schipper       | Other                |
| Mar. 18     | Consulting Actuaries  | Washington, DC  | Foster         | Actuaries            |
| Mar. 21     | Deloitte & Touche/American Accounting Association Trueblood Seminar | Scottsdale, AZ  | Schipper       | Academe              |
| Mar. 24     | National Association for Business Economics (NABE)                  | Washington, DC  | Schieneman     | Other                |
| Mar. 26     | Canadian & US Financial Reporting                                   | Toronto, Canada | Bielstein      | Preparers            |
| Mar. 26     | Federal Reserve Board   | Atlanta, GA     | Lott*          | Preparers            |
| Mar. 26     | IMA/Kent State University   | Chicago, IL     | Trott*         | University Sponsored |
| Mar. 27     | Council of Institutional Investors                                  | Washington, DC  | Herz           | Preparers            |
| Mar 27      | American Securitization Forum                                       | New York, NY    | Lott*          | Preparers            |
| Mar. 28     | American Accounting Association                                     | Charleston, SC  | Schipper*      | Academe              |



FASB SUMMARY OF SPEECHES DELIVERED  
IN APRIL 2003

| <u>DATE</u> | <u>GROUP</u>  | <u>LOCATION</u> | <u>SPEAKER</u> | <u>CATEGORY</u> |
|-------------|---|-----------------|----------------|-----------------|
| Apr. 2      | University of New Hampshire                           | Durham NH       | Wilson*        | Academe         |
| Apr. 8      | Colorado State University                             | Ft. Collins, CO | Herz           | Academe         |
| Apr. 10     | Bond Market Association                               | New York, NY    | Herz           | Users           |
| Apr. 11     | University of North Carolina                          | Charlotte, NC   | Trott          | Academe         |
| Apr. 12     | American Accounting Association                       | St. Louis, MO   | Trott          | Academe         |
| Apr. 17     | Emory University                                      | Atlanta, GA     | Schipper       | Academe         |
| Apr. 18     | New York Society of CPAs                              | New York, NY    | Bielstein*     | Attestors       |
| Apr. 21     | Harvard University                                    | Cambridge, MA   | Herz           | Academe         |
| Apr. 24     | Northwestern University                               | Chicago, IL     | Foster         | Academe         |
| Apr. 24     | AICPA Nat'l Acctg. & Auditing<br>Technical Symposium  | Las Vegas, NV   | Trott*         | Attestors       |
| Apr. 25     | Brookings Institution                                 | Washington, DC  | Schipper       | Other           |
| Apr. 25     | American Accounting Association                       | Stamford, CT    | Trott/Such     | Academe         |
| Apr. 25     | Creighton University                                  | Omaha, NB       | Schieneman     | Academe         |
| Apr. 28     | Virginia Society of CPAs                              | Herndon, VA     | Mahoney        | Attestors       |
| Apr. 29     | University of Tulsa, The Conference<br>of Accountants | Tulsa, OK       | Crooch         | Academe         |

FASB SUMMARY OF SPEECHES DELIVERED  
IN MAY 2003

| <u>DATE</u> | <u>GROUP</u>  | <u>LOCATION</u>  | <u>SPEAKER</u>       | <u>CATEGORY</u> |
|-------------|---|------------------|----------------------|-----------------|
| May 1       | Baruch College  | New York, NY     | Herz/Trott           | Academe         |
| May 1       | University of Central Florida                                     | Orlando, FL      | Richards*            | Univ-Spns       |
| May 6       | Standard & Poors  | Orlando, FL      | Lott                 | Preparers       |
| May 8       | Texas Society of CPAs   | Houston, TX      | Trott/<br>Leisenring | Attestors       |
| May 8       | Federal Reserve Bank of Chicago                                   | Chicago, IL      | Schipper             | Other           |
| May 13      | Michigan Association of CPAs                                      | Lansing, MI      | Leisenring           | Attestors       |
| May 15      | Institute of Management Accountants                               | Houston, TX      | Foster               | Preparers       |
| May 16      | TIAA-CREF Institute Conference                                    | New York, NY     | Herz                 | Users           |
| May 16      | NJ Educational Facilities Authority                               | Princeton, NJ    | Wilkins*             | Nonprofit       |
| May 19      | Broadcast Cable Financial Manager                                 | Los Angeles, CA  | Trott                | Preparers       |
| May 19      | New York University   | New York, NY     | Herz*                | Academe         |
| May 19      | PricewaterhouseCoopers – Energy Conf.,                            | Pebble Beach, CA | Crooch*              | Preparers       |
| May 21      | Virginia Society of CPAs  | Williamsburg, VA | Mahoney              | Attestors       |
| May 22      | Wichita University  | Wichita, KS      | Crooch               | Academe         |
| May 22      | Korea Accounting Association                                      | Seoul, Korea     | Schipper             | Academe         |
| May 22      | American Petroleum Institute                                      | Washington, DC   | Schieneman*          | Preparers       |
| May 22      | University of South Florida                                       | Tampa, FL        | Trott                | Academe         |
| May 23      | University of Connecticut   | Storrs, CT       | Trott*               | Academe         |
| May 25      | American Accounting Association                                   | Stamford, CT     | Trott                | Academe         |
| May 29      | University of Southern California,<br>Marshall School of Business | Pasadena, CA     | Herz/Bielstein       | Univ-Spno       |
| May 29      | New York Society of Security Analysts                             | New York, NY     | Smith/<br>Leisenring | Users           |
| May 29-30   | Oregon State University   | Corvallis, OR    | Schipper             | Academe         |

FASB SUMMARY OF SPEECHES DELIVERED  
IN JUNE 2003

| <u>DATE</u>   | <u>GROUP</u>  | <u>LOCATION</u>     | <u>SPEAKER</u>       | <u>CATEGORY</u> |
|---------------|---|---------------------|----------------------|-----------------|
| June 2        | Stanford Directors College  | Stanford, CA        | Schipper             | Other           |
| June 2        | New York City Bar Program   | New York, NY        | Schieneman           | Legal           |
| <b>June 2</b> | <b>New York Stock Exchange/ICMAC</b>  | <b>New York, NY</b> | <b>Herz</b>          |                 |
| June 5        | Seattle University, The Directors' Training Academe                           | Seattle, WA         | Wulff                | Academe         |
| June 6        | Securities & Exchange Commission  | Washington, DC      | Crooch*              | Preparers       |
| June 6        | Corporate Finance Management Symp   | Washington, DC      | Trott                |                 |
| June 9        | National Investor Relations Institute   | Orlando, FL         | Crooch*              | Preparers       |
| June 10       | Michigan Association of CPAs  | Troy, MI            | Leisenring           | Attestors       |
| June 10       | Practitioners Symposium   | Phoenix, AZ         | Trott                | Attestors       |
| June 10       | Directors College at Vanderbilt   | Nashville, TN       | Schipper             | Other           |
| June 12       | PricewaterhouseCoopers Telecom Fin'l Executives Conference                    | Palm Beach, FL      | Herz                 | Preparers       |
| June 13       | Florida Institute of CPAs   | Orlando, FL         | Herz                 | Attestors       |
| June 13       | CEMS-Carnegie Bosch Institute   | Bergen, Norway      | Schipper             | Other           |
| June 13       | Massachusetts Society of CPAs   | Burlington, VA      | Bielstein            | Attestors       |
| June 17       | Neuberger Berman  | New York, NY        | Herz/<br>Schieneman* | Users           |
| June 19       | PriceWaterhouseCoopers Entertainment & Market Seminar                         | New York, NY        | Herz                 | Preparers       |
| June 19       | Tuck School of Business, Private Equity Valuation and Performance Rptg Conf., | Hanover, NH         | Schipper*            | Other           |
| June 23       | Institute of Management Accountants   | Nashville, TN       | Schipper             | Preparers       |
| June 23       | Edison Electric Institute   | Annapolis, MD       | Crooch               | Preparers       |
| June 26       | Pennsylvania Institute of CPAs  | Philadelphia, PA    | Bielstein            | Attestors       |

June 26    Basel Committee Accounting Task Force    Chicago, IL    Crooch\*    Preparers

**6/2/03 Speech cancelled/to be rescheduled**

FASB SUMMARY OF SPEECHES DELIVERED  
IN JULY 2003

| <u>DATE</u> | <u>GROUP</u>  | <u>LOCATION</u> | <u>SPEAKER</u>               | <u>CATEGORY</u> |
|-------------|---|-----------------|------------------------------|-----------------|
| July 10     | AICPA Controllers Workshop                                      | Las Vegas, NV   | Trott                        | Preparers       |
| July 10     | International Federation of Accountants<br>(IFAC) Board Meeting | Quebec, Canada  | Herz                         | Preparers       |
| July 24     | AICPA National Accounting & Auditing<br>Technical Symposium     | Las Vegas, NV   | Schipper/Trott<br>Leisenring | Attestors       |
| July 28     | National Rural Electric Cooperative                             | Chicago, IL     | Mahoney*                     | Preparers       |

FASB SUMMARY OF SPEECHES DELIVERED  
IN AUGUST 2003

| <u>DATE</u> | <u>GROUP</u>                                     | <u>LOCATION</u>                | <u>SPEAKER</u> | <u>CATEGORY</u> |
|-------------|--|--------------------------------|----------------|-----------------|
| Aug. 3      | American Accounting Association                  | Honolulu, HI                   | Schipper       | Academe         |
| Aug. 5      | American Accounting Association                  | Honolulu, HI                   | Leisenring     | Academe         |
| Aug. 5      | National Society of Accountants for Cooperatives | Crystal City, VA               | Bielstein      | Attestors       |
| Aug. 19     | American Gas Association                         | Niagara-on-the-Lake, Ontario   | Durbin         | Preparers       |
| Aug. 21     | Directors Consortium                             | San Francisco or Palo Alto, CA | Schipper       | Other           |

FASB SUMMARY OF SPEECHES DELIVERED  
IN SEPTEMBER 2003

| <u>DATE</u> | <u>GROUP</u>                                      | <u>LOCATION</u>     | <u>SPEAKER</u> | <u>CATEGORY</u> |
|-------------|---|---------------------|----------------|-----------------|
| Sept. 3     | Council on Foreign Relations                      | New York, NY        | Herz           | Nonprofit       |
| Sept. 8     | Financial Executives International                | Chicago, IL         | Herz           | Preparers       |
| Sept. 9     | New York State Society of CPAs                    | New York, NY        | Herz           | Attestors       |
| Sept. 9     | Equipment Leasing Association                     | Boston, MA          | Trott          | Preparers       |
| Sept. 16    | Institutional Investors                           | Washington, DC      | Herz           | Preparers       |
| Sept. 16    | Canadian Institute of Chartered Accountants       | Toronto, Canada     | Bielstein      | Preparers       |
| Sept. 17    | AcPEN   | Dallas, TX          | Trott          | Attestors       |
| Sept. 18    | American Petroleum Institute Accounting Committee | Chicago, IL         | Crooch         | Preparers       |
| Sept 19     | Florida Institute of CPAs                         | Ft. Lauderdale, FL  | Herz           | Attestors       |
| Sept. 22    | Texas Society of CPAs                             | San Antonio, TX     | Mahoney*       | Attestors       |
| Sept. 23    | Practising Law Institute                          | New York, NY        | Schipper       | Legal           |
| Sept. 25    | Texas A&M University                              | College Station, TX | Crooch         | Academe         |
| Sept. 25    | Financial Executives International                | Chicago, IL         | Smith*         | Preparers       |
| Sept. 26    | University of Chicago, Wharton School             | Philadelphia, PA    | Schipper       | Other           |
| Sept. 30    | Fairfield University                              | Fairfield, CT       | Herz           | Academe         |
| Sept. 30    | Virginia Acctg. & Auditing Conf.                  | Virginia            | Mahoney*       | Attestors       |
| Sept. 30    | Appraisal Institute Summit                        | Washington, DC      | Schipper*      | Other           |

FASB SUMMARY OF SPEECHES DELIVERED  
IN OCTOBER 2003

| <u>DATE</u> | <u>GROUP</u>                                   | <u>LOCATION</u>     | <u>SPEAKER</u>          | <u>CATEGORY</u> |
|-------------|--|---------------------|-------------------------|-----------------|
| Oct. 3      | Illinois Society of CPAs                       | Chicago, IL         | Schipper<br>/Leisenring | Attestors       |
| Oct. 3      | University of Wisconsin                        | Madison, WI         | Crooch                  | Academe         |
| Oct. 8      | Merrill Lynch                                  | New York, NY        | Trott/Proestakes        | Users           |
| Oct. 13     | American Council of Life Insurers              | Miami Beach, FL     | Schieneman              | Preparers       |
| Oct. 13     | KPMG – IASB Conference                         | Brussels            | Herz                    | Preparers       |
| Oct. 16     | Advanced Business Valuation Conference         | Chicago, IL         | Bielstein/<br>Pinson    | Others          |
| Oct. 21     | Duke University                                | Durham, NC          | Schipper                | Academe         |
| Oct. 22     | Texas A&M University                           | College Station, TX | Stell*                  | Academe         |
| Oct. 24     | AICPA National Conference on Credit<br>Unions  | Las Vegas, NV       | Bielstein               | Preparers       |
| Oct. 24     | Committee on Bank Accounting & Rptg<br>(COBAR) | Washington, DC      | Trott                   | Preparers       |
| Oct. 24     | University of Virginia                         | Charlotte, VA       | Schipper                | Academe         |
| Oct. 27     | The Center for Business Intelligence           | New York, NY        | Crooch                  | Preparers       |
| Oct. 27     | KPMG   | London, England     | Trott                   | Preparers       |
| Oct. 28     | SEC Office of Economic Analysis                | Washington, DC      | Schipper                | Govt'           |
| Oct. 30     | AICPA Stockbrokerage Conference                | New York, NY        | Schipper                | Preparers       |
| Oct. 31     | Georgia State University                       | Atlanta, GA         | Schipper                | Academe         |