



September 20, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

File Reference No. 1840-100

Subject: FASB Exposure Draft: Proposed Accounting Standards Update, *Contingencies (Topic 450)*,
Disclosure of Certain Loss Contingencies

Dear FASB Technical Director:

Bristol-Myers Squibb Company appreciates the opportunity to comment on this exposure draft. While we agree with the FASB that financial statement users benefit from timely reporting of contingent matters to assess the likelihood, timing and amount of future cash outflows, we believe the new disclosure requirements, as currently proposed, would provide limited incremental value to financial statement users, could potentially be misleading to such users, as well as potentially harmful to the Company and current investors through the disclosure of prejudicial information.

Question 3: The June 2008 FASB Exposure Draft, *Disclosure of Certain Loss Contingencies*, had proposed certain disclosures based on management’s predictions about a contingency’s resolution. The amendments in this proposed update would eliminate those disclosure requirements such as estimating when a loss contingency would be resolved and the entity’s maximum exposure to loss. Do you agree that an explicit exemption from disclosing information that is “prejudicial” to the reporting entity is not necessary because the amendments in this proposed update would:

- a. Not require any new disclosures based on management’s predictions about a contingency’s resolution**
- b. Generally focus on information that is publicly available**
- c. Relate to amounts already accrued in the financial statements**
- d. Permit information to be presented on an aggregated basis with other similar loss contingencies?**

If not, please explain why.

We do not agree that an explicit exemption from disclosing information that is “prejudicial” is not necessary. We also do not agree with the proposed requirement to disclose publicly available quantitative information, such as the amount claimed by plaintiffs or the amount of damages indicated by the testimony of expert witnesses. In many instances, the amount claimed has no relationship to the company’s final obligation evident by the large portion of cases that are ultimately resolved for substantially less than the amount initially claimed if the defendant is found liable. Instead, claimed amounts are often chosen for strategic reasons by the plaintiff in order to shock the defendant, gain negotiating leverage, and / or enhance public exposure. Companies would likely be obligated to disclose prejudicial information to help the reader sort through excessive damage claims jeopardizing the attorney-client privilege and attorney work product privilege leaving the Company at a disadvantage when litigating the matter.

We also believe the proposal to permit the aggregation of similar loss contingencies does not adequately protect against the disclosure of prejudicial information. The aggregation criteria set forth in the exposure draft, coupled with the dynamic nature of litigation claims, would prevent the aggregation of certain significant matters. For aggregated legal cases, we believe that the quarterly disclosure requirements and related updates to the contingency accrual in the tabular reconciliation, would allow plaintiffs to ascertain changes in the company’s assessment of its potential liability. Specific accruals would be easily identifiable which will limit the Company’s ability to defend against such claims and/or negotiate settlement offers to the detriment of the Company and its shareholders.

Question 5: Do you believe that the proposed disclosures will enhance and improve the information provided to financial statement users about the nature, potential magnitude, and potential timing (if known) of loss contingencies?

No, we do not believe that the proposed disclosures will enhance and improve the information provided to financial users. Instead, we believe that the proposed disclosure requirements would significantly increase the volume of current disclosures and obscure the more meaningful disclosures relating to the Company's best estimate of its' future legal obligation ultimately resulting in financial statement users drawing improper conclusions on the company's legal exposure. We understand that an underlying objective of the proposed disclosure requirement is to provide early warnings of contingent matters and prevent the first time disclosure of a contingent matter in the same period an accrual is made. While we believe the proposed disclosures may address this "sudden accrual" issue, it will do so at the expense of providing clear, concise and usable financial statement information.

ASC 450-20-50-1 states that "disclosures of the nature of an accrual made pursuant to the provisions of paragraph 450-20-25-2, and in some circumstances the amount accrued, may be necessary for the financial statements not to be misleading." Under this guidance, the "accruals made" and related disclosures were determined by the Company's legal experts familiar with the case details, plaintiff's assertions, legal precedents and the company's legal defense strategy and therefore represent the best estimates of the company's future obligations and cash outflows. Best disclosure practices would dictate that this is the most meaningful information that should be provided to financial statement users. Disclosures in excess of those already required may cause readers to focus on potentially misleading information, such as excessive damage claims made by the plaintiffs as opposed to more relevant information regarding the company's possible loss exposure. We believe it is in the financial statement users' best interest that companies provide quantitative disclosures about contingencies that are "reasonably possible" and qualitative disclosures that are material. Information about a "remote" contingency is highly unlikely to be material to a company and, in the rare instance where such information is material, then general securities law principles already require that it be disclosed. As such, we do not believe the proposed additional disclosures will enhance or improve the information provided to financial statement users.

Sincerely,

Joseph Reilly

Joseph Reilly
Director Reporting and Consolidations

CC: Joseph Caldarella
Vice President and Corporate Controller