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Via email: director@fasb.org

Director
Technical Application and Implementation Activities and EITF Chair
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Attn: Mr. Larry Smith

Subject: Proposed FASB Staff Position FAS 131-a, *Determining Whether Operating Segments Have "Similar Economic Characteristics" under Paragraph 17 of FASB Statement No. 131, Disclosures about Segments of an Enterprise and Related Information*

RBC Financial Group would like to thank the Financial Accounting Standards Board ("Board") for the opportunity to comment on the Proposed FASB Staff Position FAS 131-a (the "FSP") on the determination of "similar economic characteristics" for purposes of applying paragraph 17 of FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

We agree with the proposed guidance in paragraph 5 that both qualitative and quantitative factors should be considered in determining similar economic characteristics; however, we believe clarification is necessary regarding whether an entity must satisfy a majority or all of these factors in order to conclude that the economic characteristics of two reporting segments are similar. If compliance with a majority of factors is necessary, the FSP should address whether certain factors are more important than others.

We believe that the FSP should recognize the unique nature of an entity's operations by permitting management to evaluate the similarity of economic characteristics using the factors that it believes are most relevant to the entity's operation. Accordingly, we recommend that

paragraph 5 be amended to include the sentence in paragraph 7 which states that “evaluating whether economic characteristics are similar is a matter of judgment that depends on specific facts and circumstances”.

Please do not hesitate to contact me at 416-955-8447 if you have any questions regarding our comments.

Yours very truly,

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cc. Robert Guignard, Senior Vice President, Chief Accountant & Controller