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LETTER OF COMMENT NO. 16

committee on corporate reporting

January 22, 2008

Russell Golden
Director, Technical Application and
Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed FASB Staff Position FAS 142-f

Dear Mr. Golden:

The Committee on Corporate Reporting ("CCR") of Financial Executives International ("FEI") appreciates the opportunity to comment on proposed FSP FAS 142-f, *Determination of the Useful Life of Intangible Assets* ("proposed FSP"), which addresses the factors to be considered in assessing how renewals or extensions affect the determination of the useful life of an intangible asset. FEI is a leading international organization of senior financial executives. CCR is a technical committee of FEI, which reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. This document represents the views of CCR and not necessarily the views of FEI or its members individually. Our comments on the proposed FSP follow.

Accounting model

CCR strongly supports the accounting principles in the proposed FSP, which we believe will better align the economics of these renewable intangibles with the accounting. Without this modification, the valuation of intangibles often would be based on assumptions of future cash flows over periods that were much longer than the useful lives assumed for amortization as determined by the limitations in FAS 142, *Goodwill and Other Intangible Assets* ("FAS 142"). As a result, annual amortization expense was higher and amortization periods were shorter than what was appropriate given the nature of the underlying asset. We applaud the Board's decision to reconsider this issue and believe that the proposed accounting will produce financial reporting that is more representationally faithful.

Disclosures

We would ask that the Board reconsider the proposed disclosure requirements, which we believe are excessive and do not appear to be directed at specific investor needs. The proposed FSP's requirements add to the already extensive existing disclosures in

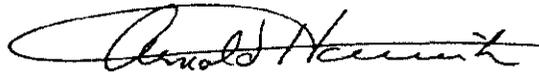
paragraphs 44 and 45 of FAS 142, which require, for each major asset class of intangibles, the amount of purchase price assigned, the amount of original cost, accumulated amortization, as well as aggregate amounts of amortization during the period and projected amounts for the next five years. The incremental disclosures of the proposed FSP far exceed existing disclosure requirements related to other long-lived assets that can be renewed or extended through additional investments (e.g., we are not aware of other GAAP disclosures related to the likelihood that assets nearing the end of their depreciable lives will be extended). It is not clear to us why renewable intangibles warrant this additional disclosure. Moreover, these disclosures do not appear to achieve the purpose underlying the disclosure principle set forth in paragraph 12. In summary we believe the disclosures required by FAS 142 are sufficient

Transition

For reasons described above regarding issues with the current accounting model, we would recommend that the Board consider permitting retrospective application to previously recognized intangible assets.

We appreciate the Board's prompt consideration of the underlying issues that led to the issuance of this proposed FSP and look forward to its finalization in the near future.

Sincerely,



Arnold C. Hanish
Chairman, Committee on Corporate Reporting
Financial Executives International