

January 16, 2008

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



LETTER OF COMMENT NO. 10

File reference: Proposed FSP FAS 142-f

Dear Mr. Golden:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the proposed FASB Staff Position No. FAS 142-f, *Determination of the Useful Life of Intangible Assets*.

We support the Board's proposal to allow an entity to consider its own assumptions about renewal or extension of arrangements to determine the useful life of a recognized intangible asset under FASB Statement No. 142, *Goodwill and Other Intangible Assets*. In the interest of international convergence, we recommend that the FASB discuss the proposed FSP with the IASB for its consideration as well, prior to issuance.

Subsequent Measurement - Determining the Useful Life

We agree with the proposed FSP that an entity's own historical experience of renewing or extending arrangements should be considered when estimating the useful life of an intangible asset. However, we believe the FSP would benefit from including clarification with respect to the likelihood of renewal and whether the future cash flows are expected to substantially diminish over time. We recommend including additional language in the amendment to paragraph 11(d) of FAS 142 to clarify this point.

We also suggest removing the example "Determining the Useful Life When an Entity Lacks Historical Experience" from the proposed FSP. The determination of useful lives requires judgment and we are concerned that the example may not elaborate on all relevant factors. For example, it is not apparent why a "newly" formed division would not plan on extending the broadcasting license beyond 10 years when a market participant would continue to use the license. Rather than elaborating in the example all of the factors which may need to be considered, we suggest removing the example.

Disclosures

We believe that situations may arise that would make the disclosures required in (a) and (d) of paragraph 13 difficult to provide. For example, an entity may recognize a customer relationship intangible asset for a homogenous collection of customers operating under short-term purchase orders. It is unclear how an entity would calculate the weighted average contract period in situations such as this when there is no explicit contract and no explicit renewal. Therefore, the Board may wish to reconsider these disclosures and their meaningfulness to users of the financial statements.

In addition, paragraph 13(c) of the proposed FSP includes a requirement for a qualitative description of any changes in the likelihood of contract renewals or extensions from the prior reporting period, which inherently would require a comparison of the original and modified renewal assumptions. Therefore, we would anticipate that disclosure of the original assumptions would be needed to compare to the modified renewal assumptions. We are also unclear why disclosure is limited only to changes in the likelihood or renewal of those contracts "with initial contractual periods or renewal periods ending within the next fiscal year." The current wording suggests that any changes in assumptions made in periods prior to the final year of the original contract term or renewal period are not required to be disclosed. At a minimum, we would suggest modifying paragraph 13(c) to require disclosure of changes in the likelihood of renewal or extension of contracts from prior reporting periods.

Effective Date and Transition

Paragraph 15 states that the "FSP shall be applied prospectively to intangible assets acquired after the effective date." We recommend the proposed FSP be applied prospectively to all intangible assets, including those acquired prior to the adoption of the proposed FSP to eliminate any inconsistencies.

Other Observations

We suggest deleting the words "entity-specific" within the first sentence of paragraph 9 as some of the factors in paragraph 11(a) - 11(f) of FAS 142 are more general in nature and not necessarily specific to an entity.

Additionally, the phrase "is not precluded from" in paragraph 9 may imply that an entity has an option of using its own assumptions about the renewal or extension of an arrangement. We suggest replacing these words with "shall consider" to emphasize that an entity should consider its own assumptions about the renewal or extension of an arrangement.

If you have any questions regarding our comments, please feel free to contact Larry Dodyk at (973) 236-7213.

Sincerely,

PricewaterhouseCoopers LLP