



July 8, 2009

Mr. Russell G. Golden  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

File Reference: FSP FAS 157-g, *Estimating the Fair Value of Investments in Investment Companies That Have Calculated Net Asset Value per Share in Accordance with the AICPA Audit and Accounting Guide, Investment*

Dear Mr. Golden:

Verizon Communications Inc. (Verizon) appreciates the opportunity to comment on the proposed FSP. Verizon is one of the world's leading providers of communication services, is a registrant with the SEC and is classified as a Large Accelerated Filer. Verizon sponsors several pension and other postretirement benefit plans with plan assets totaling more than \$30 billion as of December 31, 2008.

Overall, we support the Board's decision to permit investors to estimate the fair value of alternative investments within the scope of this FSP by using net asset value per share or its equivalent without further adjustment. We appreciate the practical approach reflected in this proposed FSP.

However, the requirement in the proposed FSP to use the net asset value per share as of the reporting entity's measurement date is a concern because such information is not generally available at the time that the Company is required to file its financial statements. We request that the Board permit an entity to use its latest available net asset value per share information consistent with other guidance.

Thank you for the opportunity to comment. We would be pleased to discuss our comments in more detail with members of the Board or staff.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike".

Michael W. Morrell  
Vice President – Finance

**1. This proposed FSP would apply to an investment in an entity that meets the definition of an investment company in the investment companies Guide for which its net asset value per share (or its equivalent, for example, partners' capital per share for an investment in a partnership) has been calculated in accordance with that Guide. However, this proposed FSP would not apply if the fair value of the investment is readily determinable as defined in paragraph 3 of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities* (with one exception described in paragraph 13 of this proposed FSP). Do you believe there are other investments that should be within the scope of this proposed FSP? If so, what principle should be used to determine which investments are within the scope of the proposed FSP? Do you agree that the Board should not permit the application of the proposed FSP to investments in entities that have readily determinable fair values as defined in paragraph 3 of Statement 115? Are there other investments that the Board should exclude from the scope of this proposed FSP?**

We support the Board's decision to permit investors to estimate the fair value of alternative investments within the scope of this FSP by using net asset value per share or its equivalent without further adjustment. We agree that the application of the proposed FSP should not be permitted for the measurement of investments that have readily determinable fair values.

However, the requirement in the proposed FSP to use the net asset value per share as of the reporting entity's measurement date is a concern because such information is not generally available prior to the time that the Company is required to file its financial statements. We request that the Board permit an entity to use its latest available net asset value per share information consistent with other guidance.

**2. Are there circumstances in which an investment might initially have a readily determinable fair value and in a subsequent period not have a readily determinable fair value (and thus arguably become eligible for the practical expedient)? If so, please describe those circumstances. In those circumstances, should the investment be eligible for the practical expedient even though the investor may not be able to transact with the investee (fund) at net asset value per share?**

No comments.

**3. The Board also considered alternative approaches to the scope of this proposed FSP. One approach would have indicated that a condition to using the practical expedient is that the primary means to enter and exit the investment is transactions (for example, redemptions or distributions) between the investor and the investee (that is, the fund) at net asset value per share. Another approach would have indicated that a condition to using the practical expedient is that the principal or most advantageous market for the investment is transactions (for example, redemptions or distributions) between the investor and the fund at net asset value per share. Do you believe the Board should pursue one of the alternative approaches instead of the approach taken in this proposed FSP? If so, why?**

No, we do not believe the Board should pursue other approaches. The net asset value per share approach in accordance with the AICPA Investment Companies Guide is widely used and understood by preparers, investors and auditors.

4. The Board recognizes that permitting rather than requiring the application of this proposed FSP for entities within its scope potentially reduces comparability. The Board decided to permit rather than require that reporting entities apply this proposed FSP to investments within its scope, in part, to avoid potential conflicts with the "good faith" requirements of the Investment Company Act of 1940 and Accounting Series Releases No. 113, *Statement Regarding "Restricted Securities,"* and No. 118, *Accounting for Investment Securities by Registered Investment Companies.* Do you agree with the Board's decision to permit rather than require the application of this proposed FSP? Are there any other unintended consequences of requiring the application of this proposed FSP to investments within its scope?

We agree with the Board's decision to permit rather than require the application of this proposed FSP.

5. Are the disclosure requirements of this proposed FSP operational? Should the Board require all of the disclosure by major category (or should it permit some of them on a more aggregated basis)? If the final FSP is effective upon issuance (for example, assume issuance is July 31, 2009), can the disclosures be provided for prior periods for which financial statements have not been issued? Are there other disclosures that the Board should consider requiring?

We request that the Board clarify that it does not consider the proposed disclosure requirements to be incremental to those already required by FSP FAS 132(R)-1.

Additionally, we do not believe that the proposed FSP should be effective for prior periods for which financial statements have not been issued.