

June 10, 2011

Ms. Susan Cooper Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

File Reference No. 2011-180

Dear Ms. Cooper,

Sprint appreciates the opportunity to respond to the Financial Accounting Standards Board's (FASB or the "Board") proposed accounting standards update (ASU), *Goodwill and Other (Topic 350): Testing Goodwill for Impairment.*We support the Board's efforts to reduce the cost and complexity of applying the current goodwill impairment guidance.

We are supportive of permitting an entity to assess qualitative factors that could result in not having to measure the fair value of the reporting unit in certain circumstances; however, we believe the scope of the proposed ASU should be expanded to include indefinite-lived intangible assets. We believe the Board should retain the provision contained in current authoritative literature allowing an entity to carry forward a prior estimate of fair value for a reporting unit with some modification to the specified criteria for carry forward as noted below. Finally, we believe the FASB and IASB should add a project to their agenda to reassess the current recognition and measurement guidance for goodwill on a broader scale. Our observations are discussed in more detail below.

Proposed ASU Objectives

We note the Board's objective of addressing nonpublic entity concerns regarding the cost and complexity of performing step one of the annual goodwill impairment test required under Topic 350. We believe the proposed ASU addresses concerns from such preparers although we are concerned that the application of these modifications, given the existing regulatory environment, could be interpreted to include a level of documentation and analysis of the qualitative factors that is inconsistent with the Board's objectives to reduce cost and complexity for preparers. We recommend the Board seek input and align with the Public Company Accounting Oversight Board (PCAOB) to provide clarification concerning the level of audit work and support required for the implementation and application of this proposed ASU.

Indefinite-lived intangible assets

The Board decided to limit the scope of the proposed ASU to how an entity would test goodwill for impairment because it had not received similar concerns from preparers of financial statements about the cost and complexity of testing indefinite-lived intangible assets for impairment. We appreciate this opportunity to express to the Board that the cost and complexity of preparing annual valuations for our indefinite-lived intangible assets are significant. As is the case with other telecommunications companies, indefinite-lived intangible assets, primarily FCC licenses, represent a significant component of our balance sheet. Subjecting these assets to quantitative impairment testing annually is a significant cost to Sprint in terms of internal resources, involvement of valuation firms, and external audit fees.

We believe that the scope of the proposed ASU should be expanded to include indefinite-lived intangible assets. Goodwill and other indefinite-lived intangible assets have similar characteristics and we believe that the events and circumstances that would be considered indicators of impairment for goodwill would be similar to those that would indicate impairment of indefinite-lived intangible assets. We believe that extending a qualitative assessment of

impairment indicators to indefinite-lived intangible assets would significantly reduce the cost and complexity of preparing annual valuations in situations where it is unlikely that an impairment has occurred.

Finally, we believe the Board's decision to not include indefinite-lived intangible assets in the scope of the proposed ASU will result in this asset class being the only long-lived asset for which there is a requirement to determine the fair value on an annual basis. We are unaware of any significant conceptual basis for such distinction and do not believe it is warranted. The proposed ASU could be modified to include additional qualitative factors that are specific to an entity's indefinite-lived intangible assets that would identify situations where a more-likely-than-not impairment exists. We do not believe that expanding upon the current qualitative assessment to include indefinite-lived intangible assets would result in the delay in the identification and recognition of impairment related to these assets nor would the change in scope delay the timing of the issuance of a final standard.

Modification of the carry forward provisions

We believe the proposed ASU should incorporate and modify, rather than delete, the estimated fair value carry forward provisions from a prior estimate of fair value when specific criteria are met. In the basis for conclusions, the Board acknowledged that many entities have not used the carry forward option provided in 350-20-35-29 because they were either unable to satisfy the criteria or their public accounting firms often took exception with their intention to carry forward a prior year fair value calculation. We believe that the primary reason why many companies are unable to satisfy the carry forward criteria is because of the difficulty associated with the determination that the likelihood that the reporting unit's current fair value is less than its current carrying amount is remote.

We believe that a modified version of the carry forward provisions would be helpful in achieving the Board's objective of reducing the cost and complexity of compliance. Prior to evaluation of whether further qualitative assessment is necessary, entities should be allowed to utilize a carry forward from a previously performed quantitative assessment. In order to make this a reasonable option, we suggest removing the "remote" threshold and replacing it with "more-likely than not". If an entity does not meet the modified carry forward criteria, that entity can then either perform the proposed qualitative analysis or perform the step 1 quantitative assessment. We believe this retention of the current carry forward guidance, subject to the proposed modification, would achieve the Board's objective to further simplify the goodwill impairment guidance. We also believe that proposed changes would not result in the delay in the identification or recognition of goodwill impairment.

We are concerned that the replacement of the carry forward provisions with the indicator-based approach outlined in paragraph 350-20-35-3F of the proposed ASU will be interpreted as an element that is not given significant consideration in the evaluation of the weight of facts and circumstances.

Reconsideration of the recognition and measurement of goodwill

We urge the FASB and IASB to add a project to their agenda to reassess the current recognition and measurement guidance for goodwill on a broader scale. Sprint, like many other companies, spends a significant amount of time and incurs substantial costs to perform our annual impairment tests. Given that the Board recognizes that many users of financial statements have indicated that generally they exclude goodwill and goodwill impairment losses from their quantitative analyses, we believe further evaluation should be performed to determine if the cost and complexity of applying the goodwill impairment guidance by preparers is warranted based on the perceived benefits derived by users. This evaluation should also include a comprehensive analysis of the information users need to measure the performance and value of an entity.

We agree with the Board's assertion that amortization of goodwill could further reduce the cost of testing goodwill without reducing the decision usefulness of information presented to investors. Therefore, we suggest that this approach, along with others such as the direct write-off approach, should be considered as part of a larger project to address the recognition and measurement of goodwill.

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the FASB staff or the Board may have. Please contact me at 913-315-7600 should you have any questions regarding our submission.

Sincerely

Ryan H. Siurek

Vice President – Controller Sprint Nextel Corporation

Appendix A - Responses to Questions

Question 1: Please describe the entity or individual responding to this request.

We are a provider of telecommunication services and a large accelerated filer with the Securities and Exchange Commission.

Question 2: For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

We believe that the proposed amendments addressed concerns raised to the Board regarding cost and complexity but are concerned that the Board's objectives may not be achieved as the proposed ASU is subjected to audit and examination. We describe our views and recommended improvements more fully in our cover letter.

Question 3: For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the first step of the two-step impairment test? Please explain.

We fully expect to exercise the option to perform the qualitative assessment proposed in the amendments.

Question 4: For auditors, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why. Does your response differ based on whether the entity is public or nonpublic?

Not applicable.

Question 5: For users, do you believe that the qualitative approach for testing goodwill for impairment will delay the recognition of goodwill impairment losses or affect how you evaluate goodwill reported in the financial statements? If yes, please explain.

We are both a preparer and user of financial statements and have included our views on this issue in our cover letter.

Question 6: Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?

We agree that the proposed examples of events and circumstance to be assessed are adequate in relation to events that may be considered an indication of impairment. We recommend that the Board include a commensurate level of examples of positive and mitigating events and circumstances to consider in the impairment evaluation. Although the indicators listed in paragraph 350-20-35-3C are not intended to be an exhaustive list of indicators of impairment, our experience indicates that such lists become the primary benchmark for analysis. We believe a list of positive and mitigating events and circumstances, rather than a general reference, will more appropriately balance the considerations for analysis.

We note that the last sentence in paragraph 350-20-35-3G indicates the existence of positive and mitigating events are not intended to represent a rebuttable presumption that step one of the goodwill impairment test should not be performed. We agree with this assertion but believe that a corresponding statement should be included in the proposed ASU establishing that the presence of a negative indicator does not create a rebuttable presumption that step one of the goodwill impairment test should be performed.

Question 7: Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the guidance be improved?

We agree that the guidance in the proposed amendments about how an entity should address relevant events or circumstances is clear. However, as discussed in our cover letter, we recommend certain improvements that we believe should provide further cost reductions for preparers.

Question 8: Do you agree with the Board's decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.

We agree with the Board's decision.

Question 9: Do you agree with the proposed effective date provisions? If not, please explain why.

We agree with the proposed effective date as well as the early adoption provisions.