# The Goodyear Tire & Rubber Company Akron, Ohio 44316 - 0001

September 24, 2013

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

File Reference No. 2013-300

RE: Proposed Accounting Standards Update – Presentation of Financial Statements (Topic 205): Disclosure of Uncertainties about an Entity's Going Concern Presumption

The Goodyear Tire & Rubber Company ("we", "us", "our") appreciates the opportunity to provide comments to the Board on the above referenced exposure draft. We support the Board's efforts to solicit feedback related to the proposed changes to disclosures on going concern uncertainties.

We do not support the issuance of final guidance in its current state. Currently, the Securities and Exchange Commission (SEC) disclosure requirements call for management to disclose significant risk factors and discuss any known trends, commitments, events or uncertainties that will result in a material decrease in liquidity within the Management's Discussion and Analysis (MD&A) section of our annual and quarterly filings. Additionally, U.S. auditing standards provide guidance to our auditors for assessing our ability to continue as a going concern as well as the applicable disclosures based on this assessment. We believe these current disclosure requirements, if appropriately prepared, provide sufficient information to financial statement users regarding an entity's ability to meet its future obligations and doubt that additional value is being provided by repeating this information within the financial statement footnotes. Our additional concerns with the proposed guidance are outlined below:

## Lack of Safe Harbor Protection

The Board should be cognizant that The Private Securities Litigation Reform Act of 1995 (now section 21E of the Securities Exchange Act of 1934), provides a safe harbor against certain private securities claims that are based on forward-looking statements. The proposed amendments would require management to exercise significant judgment and provide forward-looking information, especially in assessing if it is known or probable that an entity will be unable to meet its obligations within 24 months after the financial statement date. However, due to the lack of a statutory safe harbor for forward-looking statements contained in financial statements, we are concerned that public issuers would become subject to private securities claims as a result of these disclosure requirements. We consider the potential for such litigation and additional litigation costs to be incurred by public issuers by including forward-

looking information in the financial statements to outweigh the benefits of the proposed requirements.

## Time Horizon

We oppose an assessment of an entity's ability to meet its obligations up to 24 months after the financial statement date. Current guidance evaluates an entity's ability to continue as a going concern over a reasonable period of time, not to exceed one year beyond the financial statement date. We believe the time period currently utilized in assessments is adequate and an annual review period coincides with other existing accounting pronouncements. For example, Accounting Standards Codification (ASC) No. 275 "Risk and Uncertainties" requires disclosures that impact the near term where near term is defined as "a period of time not to exceed one year from the date of the financial statements." Both sets of guidance have a recurring theme in providing the user with information on current conditions and trends that impact cash flows. However, inconsistencies with the time periods covered by ASC 275 and the proposed guidance will result in unintended confusion for financial statement users and inconsistencies in reporting.

Also, consideration of prospective information up to 24 months after the financial statement date will include a heightened degree of subjectivity by management as events and circumstances can change significantly over this time horizon. Given a 24 month period, such disclosure ultimately could prematurely lead to market reactions that adversely impact an entity's business and results of operations. A 12-month assessment period is more practical, based on generally available information, provides more reliable information to financial statement users and does not place auditors in a more difficult position of attempting to evaluate management's future intentions.

## **Process for Interim and Annual Assessments**

We disagree with the requirement in the proposed guidance that a going concern assessment be made for both interim and annual financial statement periods. The Board should require the going concern assessment to be performed annually and only require a quarterly assessment when certain conditions and events impact the going concern presumption during the interim. An annual review period coincides with other existing accounting pronouncements. For example, goodwill impairment testing is conducted on an annual basis and when events and circumstances indicate the fair value of a reporting unit is less than its carrying amount. Interim period going concern assessments will require additional effort and review under strict SEC reporting deadlines. Ultimately, these costs outweigh any benefits to financial statement users.

#### Convergence

The FASB and IASB have been actively pursuing convergence of financial statements. However, complete convergence will never be achieved if each Board continues to issue differing guidance. IFRS requires going concern disclosures when management has significant doubt on its ability to pay its obligations based on an assessment of at least 12 months from the financial statement date. The IASB is expected to issue an exposure draft relating to going concern presumptions later this year but has not indicated alignment with the FASB's proposed guidance. We believe implementing differing rules negates the Board's goal of convergence and if the Board proceeds with its efforts to issue guidance on going concern uncertainties,

it should align with IFRS and the IASB's efforts to address the going concern presumption.

In summary, we do not support issuance of this proposed standards update. We consider existing disclosure requirements in the MD&A and U.S. auditing standards sufficient to provide financial statement users necessary information on going concern uncertainties.

If the Board has any further questions, please contact me directly at (330) 796-2775.

Sincerely,

Richard J. Noechel

Vice President and Controller

The Goodyear Tire & Rubber Company

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