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August 25, 2010

Financial Accounting Standards Board Via email to director@fasb.org
Technical Director
401 Merritt 7
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Re: Proposed Accounting Standards Update - *Comprehensive Income (Topic 220)* – File
Reference No. 1790-100

I am writing to express my opinions regarding the above referenced Proposed Accounting Standards Update (Proposal). I agree with the Board's conclusions that the current framework which permits one of three different alternatives for displaying other comprehensive income (OCI), and the components of OCI, and comprehensive income (CI) in financial statements should be reduced in order to improve understandability of OCI and CI. However, I believe the most appropriate method to display OCI and CI is within a separate statement of CI. My comments are included below.

- **Question 1:** Given that there does not appear to be a wide-spread use of any component of OCI, or of CI, as a performance measure (either on an absolute dollar basis, or on a per share basis – see **Question 6**), requiring a single statement of CI which reports both net income and OCI would result in co-mingling financial statement items with significantly different uses. Therefore, to best achieve the Board's objectives I would require a separate statement of CI that begins with total net income. As the Board noted in paragraph BC6 of the Proposal, Respondents to the Discussion Paper were split on whether a single statement or two-statement approach was preferable. Requiring a single statement approach would be inconsistent with the Board's conclusions to continue requiring per-share disclosure for only net income, and not for OCI or CI, as such per-share disclosures would likely be at the bottom of a single statement of CI (i.e. immediately following the reported amount for CI, and not immediately following the reported amount for net income).
- **Question 2:** I agree that the current option which permits reporting the tax effects of each component of OCI either in a statement of CI or in the notes to the financial statements should be continued. To the extent financial statement users are interested in OCI, I believe they are primarily concerned with net-of-tax components of OCI.
- **Question 3:** I agree that improved understandability of OCI will result from a requirement to display any reclassification adjustments for each component of OCI that is included in both net income and OCI on the face of the statement of CI. Given that there are currently significant differences between the OCI "recycling" requirements of U.S. GAAP and international accounting standards, a requirement to display reclassification adjustments on the face of the

Technical Director
August 25, 2010
Page 2

statement of CI will, among other things, help to highlight when such recycling occurs under both accounting frameworks.

- **Questions 4 and 5:** No one should incur any significant costs as a result of implementing the Proposal, as the information is already being accumulated and reported. Consequently, once the Board has completed its re-deliberations of this CI Proposal and made its final conclusions, there is no reason for the Board to defer the effective date until the board has completed its re-deliberations on the financial instruments proposal (which re-deliberations will likely require more time than the re-deliberations on this CI Proposal).
- **Question 6:** I agree that the current guidance on the calculation and display of earnings per share (which does not require calculation or disclosure of a per-share amount for any component of OCI, or for CI) should remain unchanged. Unlike the earnings per share disclosure based on net income, I do not believe there is a wide-spread use of per-share amounts for any component of OCI, or for CI, as a performance measure.
- **Other comments:**
 - **Interim reporting:** The Board may wish to clarify the guidance in ASC 220-10-45-18 regarding the requirement to report a total for CI in condensed financial statements of interim periods. For example, the Board may want to indicate whether such requirement could be fulfilled in a manner that would be prohibited in an annual period (e.g. as part of a statement of equity), whether such requirement must be fulfilled in the same manner as required for an annual period, or whether such requirement could be fulfilled through a footnote disclosure.
 - **ASC 220-10-55-11, as proposed to be amended:** The line item caption “Comprehensive income” that immediately precedes the line item caption “Common stock issued” is extraneous and should be deleted.
 - **Other sections of the Accounting Standards Codification that may need to be amended:** Based on the Board’s final conclusions, there appears to be sections of the Accounting Standards Codification not indicated in the Proposal that would also need to be amended. See, for example, ASC 810-10-55-4J/4K/4L. The Staff should search for other sections that might require amendment.

Thank you for your consideration of these comments and suggestions.

Sincerely,



Greg Swalwell