

Comcast Corporation One Comcast Center Philadelphia, PA 19103-2838

June 6, 2011

Technical Director
File Reference No. 2011-180
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Sir/Madam:

Comcast Corporation appreciates the opportunity to respond to the Financial Accounting Standards Board's (the Board) proposed accounting standards update, *Intangibles-Goodwill and Other (Topic 350)* (the "Exposure Draft"). Comcast Corporation is one of the nation's leading providers of entertainment, information and communications products and services. Comcast is principally involved in the operation of cable systems through Comcast Cable Communications and in the development, production and distribution of entertainment, news, sports and other content for global audiences through NBCUniversal. Comcast Cable Communications is one of the nation's largest video, high-speed Internet and phone providers to residential and business customers. Comcast is the majority owner and manager of NBCUniversal, which owns and operates entertainment and news cable networks, the NBC and Telemundo broadcast networks, local television station groups, television production operations, a major motion picture company and theme parks.

Our experience has provided us with a good understanding of the needs for and a relevant basis for sharing our views on the changes proposed in the Exposure Draft. We are supportive of the FASB's goal of reducing the cost and complexity of performing the first step of the two step goodwill impairment test required under *Topic 350*, *Intangibles-Goodwill and Other* ("Topic 350") by permitting an entity to assess qualitative factors first to determine if completion of step 1 is required. However, we believe the scope of the project should be expanded to include how entities test indefinite-lived intangible assets for impairment. We believe that extending a qualitative assessment of impairment indicators to indefinite-lived intangible assets would eliminate the need for unnecessarily complex and costly annual valuations in situations where it is unlikely that an impairment has occurred, while, at the same time, ensure that assets that are more likely than not impaired would be adequately identified and tested through a quantitative analysis on a timely basis. Our views and suggestions are discussed in more detailed below.

## Reduction in overall cost and complexity

We agree with the FASB's observations that the annual costs of performing step 1 of the goodwill impairment test did not decline in the years subsequent to the adoption of FASB Statement No. 142, Goodwill and Other Intangible Assets, as the FASB had originally believed. Similarly, we also believe that the costs of performing the annual impairment testing of indefinite-lived intangible assets did not decline in subsequent years. In fact, we have observed that our annual costs of testing indefinite-lived intangible assets (primarily our cable franchise rights) including employee hours, involvement of valuation firms, and the level of audit efforts are far higher than the costs of performing step 1 of the goodwill impairment test and have increased in the years subsequent to the adoption of Statement 142.

Technical Director, File Reference No. 2011-180 Financial Accounting Standards Board June 6, 2011 Page 2

In our experience, such costs are significantly higher than the costs of performing step 1 of the goodwill impairment test because the valuation of our indefinite-lived intangible assets is far more complex than the valuation of our reporting units. While both assets are tested using discounted cash-flow models, the cash-flows associated with the testing of a reporting unit are based upon budgets and long-range forecasts that are prepared in the normal course of running our business. The process of estimating cash flows for indefinite-lived intangible assets is more complex because such assets generally do not generate cash flows by themselves (i.e., they are assets that generate cash flows when combined with other assets of a business). Therefore, only a portion of the overall forecasted cash-flows of the business is ascribed to the indefinite-lived intangible assets. The process of identifying the portion of the cashflows related solely to the indefinite-lived intangible assets is complex and time consuming and involves significant estimates and assumptions, including the assignment of cash-flows to other assets used in the business (e.g., fixed assets, customer relationships, assembled workforce). Further, often times there can be multiple methods to estimate the value of such assets. The cable industry in 2010 prepared a "white paper" in response to SEC inquiries regarding the methodologies for estimating the fair value of cable franchise rights. The white paper concluded that the multi-period excess earnings method ("MPEEM") and Greenfield methodologies were acceptable methodologies in valuing cable franchise rights held by cable operators. Most of the companies in the cable industry are using both of these methods; one as the primary method and the other to corroborate the value derived from the primary method. Further adding to the burden, indefinite-lived intangible assets may have several units of account, thus resulting in more areas to estimate fair values.

We believe that this high level of complexity likely exists with the valuation of many of the indefinite-lived intangible assets recorded by other companies. With our recent acquisition of NBCUniversal we have recorded a number of other indefinite-lived intangible assets, including trademarks, trade names and other contractual indefinite lived intangibles. As such, we believe that Comcast, as well as other entities with significant indefinite-lived intangible assets, would greatly benefit through reduced costs and complexity from preparing a formal quantitative valuation only when qualitative factors indicate that it is more likely than not that an impairment of an entity's indefinite-lived intangible assets may exist.

## Qualitative criteria are equally relevant to indefinite-lived intangible assets

We believe that in many instances, the qualitative facts and circumstances leading to a change in the value of an entity's goodwill reporting units would also lead to a change in the value of the entity's indefinite-lived intangible assets. This is especially true in instances where the indefinite-lived intangible asset is fundamental to the operations of the entity or reporting unit (e.g., cable franchise rights, broadcast licenses, wireless spectrum rights, trade names). Therefore, we believe that the qualitative impairment factors listed in the Exposure Draft, including changes in the macro-economic environment, industry and market environment, cost factors, financial performance and other entity-specific events, could also be applied to indefinite-lived intangible assets. Further, we believe that the Exposure Draft could be modified to include additional qualitative factors that are specific to an entity's indefinite-lived intangible assets that would identify situations where it is more likely than not that an impairment of an entity's indefinite-lived intangible assets may exist, even if such factors did not impact the value of an entity's reporting units. For example, indefinite-lived intangible assets are already subject to a qualitative test every reporting period to determine if the life of the intangible remains indefinite. Under paragraph 350-30-35-16 "an entity shall evaluate the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an

Technical Director, File Reference No. 2011-180 Financial Accounting Standards Board June 6, 2011 Page 3

indefinite useful life." As such, it is our belief that broadening a qualitative assessment to include indefinite-lived intangible assets would not result in a delay in the identification and recognition of an impairment charge related to these assets.

Further, we believe that many companies have analogized to the carryforward option outlined for goodwill impairment tests in paragraph 350-20-35-29 to carryforward the fair value of indefinite-lived intangible assets from a previous year if it was determined that the qualitative carry forward criteria were met. According to the Exposure Draft, the proposed guidance would remove this qualitative carryforward option. As such, without the expansion of the scope, companies would no longer be able to analogize this qualitative guidance to indefinite-lived intangible assets.

## Consistency with impairment testing of other assets

The FASB's stated reason for excluding indefinite-lived intangible assets from an indicators test is because the FASB has not received concerns about the cost and complexity of conducting annual impairment tests for such assets. However, we believe that the rationale for such a determination should be based upon a conceptual argument surrounding the different characteristics of the two assets. We do not believe that enough of a difference exists in the characteristics of either of these assets to support the use of a qualitative assessment for one and not the other.

Additionally, we believe that the exclusion of indefinite-lived intangible assets from a qualitative assessment will create an inconsistency with other assets that are not re-measured at fair value at each reporting period. For example, property plant and equipment, cost and equity-method investments and amortizing intangible assets are all subject to a qualitative assessment of impairment indicators. If the amendments included in the Exposure Draft becomes effective in their current form then goodwill will include a qualitative assessment as well. We do not see a conceptual reason why the same level of qualitative judgment that is provided in determining the impairment of other assets cannot be applied in determining whether there is an impairment of indefinite-lived intangible assets.

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Thank you for the opportunity to provide comments to the Exposure Draft. We would be pleased to discuss them at any time. If you have questions, please contact Leonard Gatti at 215-286-8638.

Sincerely,

Lawrence J. Salva

Senior Vice President,

Chief Accounting Officer and Controller