July 13, 2010

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

File Reference No. 1770-100


Dear Sir or Madam:

We appreciate the opportunity to respond to the Financial Accounting Standards Board’s (FASB or the “Board”) Proposed Statement of Financial Accounting Concepts, “Conceptual Framework for Financial Reporting: The Reporting Entity” (“the Exposure Draft”). We fully support the Board’s objectives to improve the existing conceptual framework.

This letter repeats each of the specific questions posed by the Board in bolded typeface followed by our responses. Unless the context otherwise requires, references to “our,” “us,” or “we” mean the management of Sprint Nextel Corporation.

Question 1 - Do you agree that a reporting entity is a circumscribed area of economic activities whose financial information has the potential to be useful to existing and potential equity investors, lenders, and other creditors who cannot directly obtain the information they need in making decisions about providing resources to the entity and in assessing whether the management and the governing board of that entity have made efficient and effective use of the resources provided? (See paragraphs RE2 and BC4–BC7.) If not, why?

Yes, we agree with the proposed definition and believe it is sufficiently broad as befitting a proposed concepts statement. The proposed definition also appropriately aligns with the objectives of financial reporting as identified in Concept Statement No. 1, which are that financial reporting provide information useful in investment and credit decisions, in assessing cash flow prospects, and in evaluating an entity’s resources.

Question 2 - Do you agree that if an entity that controls one or more entities prepares financial reports, it should present consolidated financial statements? Do you agree with the definition of control of an entity? (See paragraphs RE7–RE8 and BC18–BC23.) If not, why?

Yes, we agree that if an entity that prepares financial reports controls one or more entities, it should present consolidated financial statements. We believe information presented on a consolidated basis is generally more useful when evaluating information about the resources and results of controlled entities. Consolidated reporting generally provides a more comprehensive set of information for investors to use in assessing the potential risks and rewards associated with investing in the consolidated entity. We agree that the notion of control should be the basis for which consolidation is determined. The proposed definition of “control” is predicated on the term “entity” which unlike the term “reporting entity” is not defined or illustrated through example. We would expect the term entity is intended to be broader than a legal concept of entity for purposes of the definition of control such that a sole proprietor, not a legal entity but an entity in the broader sense, should consolidate another entity it controls. Additionally, we believe the proposed
definition (RE7) should explicitly state that control cannot be a right that is joint or shared among other unrelated entities (RE9). We also suggest the following marked change to the proposed definition of control as “power to direct the activities, directly or indirectly through other controlled entities, of that other entity to generate benefits for (or limit losses to) itself” to encompass the concept of control through a control group.

Question 3 - Do you agree that a portion of an entity could qualify as a reporting entity if the economic activities of that portion can be distinguished from the rest of the entity and financial information about that portion of the entity has the potential to be useful in making decisions about providing resources to that portion of the entity? (See paragraphs RE6 and BC10.) If not, why?

We agree that a portion of an entity could qualify as a reporting entity to the extent that evaluated portion can be distinguished from the rest of the entity based on objective evidence.

Question 4 - The FASB and the IASB are working together to develop common standards on consolidation that would apply to all types of entities. Do you agree that completion of the reporting entity concept should not be delayed until those standards have been issued? (See paragraph BC27.) If not, why?

While we understand the position expressed in paragraph BC27 that the main purpose of the conceptual framework is to aid in developing standards, we believe it would be more prudent to delay the issuance of this reporting entity concept statement. The due process on the consolidation project will likely raise additional questions and concerns on the concepts in this Exposure Draft, once the Board’s constituents are able to better understand how the reporting entity concept will be applied in the proposed standard. The possibility outlined in P14 that the concept statement could eventually be elevated to authoritative status makes the deferral more critical than would otherwise be necessary. Therefore, we respectfully suggest that the reporting entity concept and the consolidation standard be issued concurrently.

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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 if you have any questions regarding our submission.

Sincerely,

[Signature]

Ryan H. Siurek
Vice President – Controller
Sprint Nextel Corporation