September 30, 2010

Mr. Russell G. Gordon
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: File Reference No. 1790-100

Dear Technical Director:

This letter is submitted on behalf of Texas Instruments Incorporated ("TI") in response to the request of the Financial Accounting Standards Board ("the Board") for comment in connection with the proposed Accounting Standards Update ("ASU") on Comprehensive Income (Topic 220) ("the Exposure Draft").

TI designs, makes and sells high-technology components and systems to more than 80,000 customers all over the world. TI is among the world's largest semiconductor companies as measured by revenue, having been ranked in the top five for the past decade.

We appreciate the efforts the Board has made in conjunction with the International Accounting Standards Board ("IASB") to improve comparability, consistency and transparency in financial reporting.

However, we believe the proposed new formatting for other comprehensive income (i.e., the presentation of net income in the middle of the proposed new statement while earnings per share would be presented at the bottom of such a statement), will result in confusion for financial statement users.

Both the FASB and IASB Boards have stated that the only issue being addressed in this proposal is one of presentation in the financial statements, as the components making up other comprehensive income will not be changed by this new standard.

However, when you consider the new disclosure requirements being proposed in the Board's Exposure Draft on Financial Instruments, the amount of information to be included in the comprehensive income section would be expanded, and quite often, significantly. Thus we could have a situation where the quantity of information provided in the comprehensive income section may be greater than that provided on the same page for the 'normal' income statement section, even though the relative dollar amount of comprehensive income being disclosed is only a fraction of net
income. Increasing the amount of detailed information provided does not necessarily improve transparency.

We do not agree with the Board’s view that comprehensive income is as equally prominent and useful to users of financial statements as net income. Net income is useful as an analytical tool representing the financial results of operating a company. Comprehensive income is a theoretical concept to balance certain transactions that were deemed to affect owner’s equity rather than being recognized directly through net income. Most of the transactions recorded in comprehensive income reflect changes in fair value. While it is important for users to understand the impact those transactions may have on the balance sheet (so they can assess liquidity and future cash flow requirements, such as the funded status of pension plans or the market price of available for sale securities), it is not as important to understand the changes in value that are due to actuarial assumptions or estimates in valuation that are not recorded through net income. To ‘enhance the prominence’ of the components making up other comprehensive income through a change in disclosure does not make those items being disclosed any more important. If they were considered to be as important as net income, those changes in fair value should have been reflected as a component of net income.

If the Board’s proposed format were followed, we would also be concerned that net income would be deemphasized and would itself become less prominent. Displaying net income somewhere in the middle of the page under the new format could add confusion to users because earnings per share would be presented at the bottom of the page, after the components of changes in other comprehensive income are displayed. Since the calculation of earnings per share will not change as a result of this proposal and will still be based on net income, this proposed placement may be confusing and even misleading to users (whether they are sophisticated users or not). Even today, many so-called expert financial analysts simply put in the reported net income number and average shares into their spreadsheets to come up with their own calculation of earnings per share, which may differ from the numbers published in the company’s financial reports. We believe that having a total other than net income right above the earnings per share amount could lead to errors in data input by even sophisticated financial users.

Under the existing standard, companies currently have a choice in how to report the tax effects for each component of other comprehensive income. If the proposed standard is adopted, we believe that companies should not have that option for reporting these tax effects. Since each line item, or component, of the statement of income section of the proposed new statement would continue to be presented on a gross or pre-tax basis, with the sum of all income taxes presented on a separate line, that same format should be followed for the other comprehensive income section to ensure consistency of presentation and comparability in the disclosures. That is, components should be presented on a pre-tax basis with the total income tax effect shown as a separate line item within the comprehensive income section.

Presenting one continuous statement also presents a logistical challenge when filing with the SEC. The effort involved in trying to squeeze all of that information onto one page that must then be
reformatted into both an HTML format and XBRL format for filing with the SEC would be substantial and would create opportunities for filing errors. This is a proofreader’s nightmare.

In addition, we are concerned about the potential disconnect with the SEC’s disclosure requirements in Management’s Discussion and Analysis (MD&A) of results of operations. There is currently no requirement to discuss changes in comprehensive income in the MD&A unless such changes are material, yet this would be the new “bottom line” presented on income statements. Presumably, for most companies in most time periods, the primary cause of changes in comprehensive income would simply be changes in net income.

**Summary** - We do not believe that the proposal to combine the statement of comprehensive income with the statement of income into one continuous presentation will improve the comparability, transparency and understandability of the relationship between the components of other comprehensive income and net income. This proposal provides no meaningful improvement to what is currently required under existing GAAP and could actually create confusion. Under this proposal, we are not changing what is disclosed – only where. So a presentation of all the same information on one page does not provide any more useful information to users than if they are presented on a separate but adjoining page.

We agree with the existing guidance under paragraph ASC 220-10-45-2 that changes in components of comprehensive income should be reported in a separate financial statement that is displayed as prominently as other financial statements. We also agree with existing paragraph ASC 220-10-45-10 (below) that the superior presentation of changes in comprehensive income is in an income statement format. We believe that presenting a separate statement of comprehensive income on a separate page from the statement of income is the superior format and should be required by this new standard rather than a single continuous statement on one page.

In short, we believe that the existing guidance of ASC 220-10 is adequate if a few minor tweaks are made.

**Suggestion** - We believe that the current statement of income should be left unaffected by this proposal. The positional relationship between net income and earnings per share should be left alone. The changes in comprehensive income should be required to be disclosed in a separate statement of comprehensive income on the next adjoining page. The first line on that separate statement would be the current period’s net income, thus keeping the relationship between the two statements. We propose deleting the alternative disclosures of existing paragraphs ASC 220-10-45-8 and 9. By getting rid of any alternative formats and requiring this as a separate financial statement, we feel this would at least maintain comparability, transparency and understandability for the user without cluttering up the basic financial statements.

If companies are required to disclose the statement of comprehensive income on a separate page then we would agree with the Board that companies should continue to have the option of how to report the tax effects for each component of other comprehensive income, either in the statement
itself or in the footnotes. In today's detail XBRL tagging environment, companies should have the option of how they want to handle presenting tax effects.

**Effective Date** - We understand the Board wants to coordinate the effective date of this proposal with the effective date for the Exposure Draft on Financial Instruments. However, we believe that this proposal would be better served if it was aligned with the effective date for the Financial Statement Presentation Project, due to its significant impact on presentations in the basic financial statements.

We appreciate the opportunity to present our comments to the Board. If you have any questions regarding this letter, please contact Rod Harden at (214) 480-1025.

Sincerely,

CHARLES R. MILLER

Charles R. Miller
Vice President and Controller