September 25, 2012

via e-mail: director@fasp.org

Technical Director
Financial Accounting Standards Board
301 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: No. 2012-200 Proposed Accounting Standards
Update of Topic 825, Financial Instruments

Dear Technical Director,

Dr Pepper Snapple Group, Inc. ("DPSG" or the "Company") appreciates the opportunity to comment on the June 27, 2012 Proposed Accounting Standards Update of Topic 825, Financial Instruments (the "Proposal"), issued by the Financial Accounting Standards Board ("FASB").

DPSG is one of the largest beverage companies in the Americas. We manufacture, market and distribute more than 50 brands of carbonated soft drinks, juices, ready-to-drink teas, mixers and other premium beverages across the United States, Canada, Mexico and the Caribbean. The Company is not a financial institution and none of our reportable segments meet the definition of a financial institution as defined within the Proposal.

Our comments on the Proposal relate specifically to the Cash Flow Obligations disclosure described in paragraphs 825-10-50-23M through 50-23R and the Available Liquid Funds disclosure described in paragraphs 825-10-50-23S through 50-23V. As a result, our responses to the questions for respondents included in the Proposal, which are included in the Appendix to this letter, only focus on these two areas.
Overall, we do not support the FASB in its objective to provide for additional disclosure on liquidity risks. We believe that this project should not move forward for the following reasons:

- Companies that file with the Securities and Exchange Commission (“SEC”) already disclose certain liquidity disclosures within management’s discussion and analysis (“MD&A”) and the notes to the financial statements.
- The information requested for these proposed disclosures are forward-looking.
- The costs to the Company for the preparation and audit of these proposed disclosures are not insignificant, raising concerns that the benefits would not outweigh the costs.

Existing liquidity disclosures for SEC registrants

For companies required to file financial statements with the SEC, Item 303 of Regulation S-K requires a tabular disclosure of contractual obligations to be included within the registrant’s MD&A in filings made on Form 10-K and 10-Q. The proposed disclosures related to the Cash Flow Obligations significantly overlap the tabular disclosure required by the SEC. The differences, which primarily relate to the concept of “expected maturities” and the further disaggregation of the first year’s “expected maturities” into the four fiscal quarters, provide minimal benefit at a significant cost. These costs are outlined further later in this letter.

Additionally, public registrants are currently required to disclose the amount of unused lines of credit and unused commitments for long-term financing arrangements within the notes to the financial statements, as outlined in Rule 5-02 of Regulation S-X. As such, this proposed disclosure will not be an operational burden to public registrants. However, the examples outlined in the Proposal fall short of painting an accurate view of the Available Liquid Funds as this does not take into account a company’s ability to generate ongoing cash flow from operations or the ability to raise debt and equity in the capital markets.

Forward-looking information

As noted within the Accounting Standards Codification (“ASC”) 205-10-45-1 (emphasis added):

“The presentation of comparative financial statements in annual and other reports enhances the usefulness of such reports and brings out more clearly the nature and trends of current changes affecting the entity. Such presentation emphasizes the fact that statements for a series of periods are far more significant than those for a single period and that the accounts for one period are but an installment of what is essentially a continuous history.”

In United States business law, a forward-looking statement is a statement that cannot sustain itself as merely a historical fact. A forward-looking statement predicts, projects, or uses future events as expectations or possibilities.

Based on these two statements, the purpose of the proposed disclosures seems to contradict the purpose of the financial statement presentation as a continuous history.
Furthermore, the concept of "expected maturities" disclosed within the notes to the financial statements would suggest that a user could put equal reliance on that information as they would place on the financial statements themselves. However, as the "expected maturities" disclosed would be based on management's current plans, forecasts and projections, those "expected maturities" could change over time based on how various risk and uncertainties impact the Company.

Costs to the companies versus the benefits to the user

As noted earlier in our response, DPSG reports contractual obligations in the MD&A section of our Forms 10-K and 10-Q. The process to obtain the information, which has disclosure controls and procedures to accumulate the financial information for the disclosure, is very manual and time-consuming.

Under the proposed disclosures, DPSG would have to create a second process to track the "expected maturities" of these purchase obligations. The "expected maturities" of the purchase obligations would also have to be tracked to a quarterly period as opposed to an annual period currently required for contractual obligations reported under Item 303 of Regulation S-K for public registrants. Furthermore, this second process would have to include internal controls over financial reporting, which would then be subject to the audit of those internal controls by our independent registered public accounting firm.

Based upon our experience with our independent registered public accounting firm, audit areas that include the use of management's current plans, forecasts and projections, such as the impairment of goodwill and intangible assets is not a small undertaking. These areas typically require a large number of hours to complete the audit work. Additionally, as terms within the proposed disclosures are not clearly defined, differences will arise between different companies and independent registered public accounting firms which will not meet the objective of standardized and consistent disclosures noted within the Proposal.

If you have any questions on this letter, please feel free to call me at (972) 673-5762 or e-mail me at angela.stephens@dpsg.com.

Sincerely,

Angela Stephens
Senior Vice President – Controller
Dr Pepper Snapple Group, Inc.
Appendix

Question 2: For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Response 2: Our most significant operational concern in complying with this requirement is the FASB’s request to create a second process to track the “expected maturities” of these purchase obligations. Our first suggestion to the FASB is to consider abandoning this project related to these areas. However, if the FASB is determined to provide a form of these disclosures, then I would suggest that you align the disclosure with the current SEC requirement of contractual obligations. Otherwise, the operational burden of obtaining the “expected maturities” will outweigh the benefits of the information to our investors.

Question 3: The proposed amendments would require information about expected maturities for financial assets and financial liabilities to highlight liquidity risk. Expected maturity is the expected settlement of the instrument resulting from contractual terms (for example, call dates, put dates, maturity dates, and prepayment expectations) rather than an entity’s expected timing of the sale or transfer of the instrument. Do you agree that the term expected maturity is more meaningful than the term contractual maturity in the context of the proposed liquidity risk disclosures? If not, please explain the reasons and suggest an alternative approach.

Response 3: As noted in our response to Question 2, we disagree that the term expected maturity is more meaningful than the term contractual maturity.

Question 4: The proposed amendments would require a quantitative disclosure of an entity’s available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Response 4: We do not foresee any significant operational concerns or constraints in complying with this requirement for public registrants. We cannot speak to any significant operational concerns for private companies.

Question 20: The amendments in this proposed Update would apply to all entities. Are there any entities, such as nonpublic entities, that should not be within the scope of this proposed Update? If yes, please identify the entities and explain why.

Response 20: The standard should be applied across all entities if the FASB concludes the project should not be abandoned.
**Question 21:** Although the proposed amendments do not have an effective date, the Board intends to address the needs of users of financial statements for more information about liquidity risk and interest rate risk. Therefore, the Board will strive to make these proposed amendments effective on a timely basis. How much time do you think stakeholders would require to prepare for and implement the amendments in this proposed Update? Should nonpublic entities be provided with a delayed effective date? If so, how long of a delay should be permitted and why? Are there specific amendments that would require more time to implement than others? If so, please identify which ones and explain why.

**Response 21:** We believe the proposed amendments will require a large amount of rework, where each contract would have to be evaluated to determine if the “expected maturities” were different than the contractual obligations. Additionally, those maturities within the next twelve months will have to be evaluated to determine which quarter the maturity will take place. The larger multinational companies will require more time to develop the process and educate employees to understand the definition of “expected maturities” versus contractual obligations. A minimum of one year from the issuance of a final Accounting Standards Update would be required in order to make these proposed disclosures operational.

**Question 22:** Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC’s current disclosure requirements for public companies without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

**Response 22:** The proposed disclosures related to the Cash Flow Obligations significantly overlap the tabular disclosure required by the SEC. The differences, which primarily relate to the concept of “expected maturities” and the further disaggregation of the first year’s “expected maturities” into the four fiscal quarters, provide minimal benefit at a significant cost. Additionally, the Available Liquid Funds proposed disclosure is currently reflected in most public registrants’ disclosures with the exception that those disclosures are not located within a tabular format.