Ms. Susan M. Cosper  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

File Reference No. 2011-180

Dear Ms. Cosper,

DIRECTV appreciates the opportunity to comment on the Exposure Draft of Proposed Accounting Standards Update, *Intangibles-Goodwill and Other* (the “ED”). We commend the Board for creating a qualitative assessment for goodwill impairment that will serve to reduce the cost of compliance with generally accepted accounting principles. In our response below, we recommend that the qualitative assessment be extended to indefinite lived intangible assets as well.

Our responses to the questions posed to preparers of financial statements by the Board in the ED are discussed below.

**Question 1: Please describe the entity or individual responding to this request.**
DIRECTV is the world’s leading provider of digital television entertainment services with almost 30 million residential and commercial subscribers in the United States and Latin America. DIRECTV stock is publicly traded on the NASDAQ with annual revenues of $24 billion and approximately 25,000 employees worldwide.

**Question 2: For preparers, do you believe that the proposed amendments will reduce the overall costs and complexity compared with existing guidance? If not, please explain why.**
We believe that the proposed amendments will significantly reduce the overall costs and complexity associated with applying the existing guidance related to our goodwill impairment testing.

In addition, we believe that there is an opportunity to further reduce costs and complexity by extending the proposed amendments to intangible assets with indefinite lives. In testing impairment for our indefinite lived intangible assets, we have followed, by analogy, the guidance for goodwill in ASC 350-20-35-29, which allows an entity to carry forward fair value measurements of a reporting unit from one year to the next. Applying those criteria by analogy, we have consistently concluded that it is
appropriate to carry forward a fair value measurement from one year to the next for our indefinite lived intangible assets. We know of at least one large accounting firm which specifically allows this application of the goodwill guidance by analogy.

Under the ED, that guidance would be removed, and potentially an entity would no longer be allowed to carry forward its fair value measurement by analogy. We would therefore be required to engage a specialist annually to prepare the fair value measurement for our indefinite lived intangible assets, which would increase the costs and complexity around performing our annual impairment test for indefinite lived intangible assets.

We believe that the Financial Accounting Standards Board (the “Board”) should include indefinite lived intangible assets in the scope of the ED, allowing preparers to first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of the indefinite lived intangible asset is less than its carrying amount. Alternatively, the Board could revise the existing guidance to allow the carry forward of a fair value measurement for an indefinite lived intangible asset that meets the criteria currently in ASC 350-20-35-29.

**Question 3:** For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity chose to proceed directly to performing the first step of the two-step impairment test? Please explain.

We expect that we will choose to perform the qualitative assessment proposed in the amendment in order to reduce the costs and the complexity of the applying the guidance. We believe that given that option, and in light of the fact that some of our reporting units have fair values which far exceed their carrying amount, it would not make sense to incur the additional time and cost to perform a valuation not required under the accounting guidance.

**Question 6:** Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?
We agree that the proposed examples of events and circumstances to be assessed are adequate. Importantly, it is a principled approach since they are listed as relevant examples and not a finite list of criteria.

**Question 7:** Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the proposed guidance be improved?
We agree that the proposed guidance provides clear guidance on how to qualitatively assess relevant events and circumstances.

**Question 8:** Do you agree with the Board’s decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.
We agree that the proposed amendments should be applicable to both public and nonpublic entities.
Question 9: Do you agree with the proposed effective date provisions? If not, please explain why.
We agree with the proposed effective dates provisions.

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If you have any questions regarding our comments, please feel free to contact John Murphy at 310-964-0714 or Steve Adams at 310-964-0807.

Sincerely,

[Signature]

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[Signature]

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