October 22, 2012

Ms. Susan Cosper -- Technical Director
File Reference No. 2012-240
Financial Accounting Standards Board
401 Merritt 7
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Emerson is a global manufacturing company with 2011 sales in excess of $24 billion. Our comments follow:

- **We support the decision to rescind showing AOCI reclassifications on the face** – We strongly support the Board’s decision to permanently rescind the requirement to disclose reclassifications from accumulated other comprehensive income (AOCI) into pretax earnings on the face of the primary income statement. As many commentators noted, including this information on the face would needlessly confuse the primary income statement and make it more difficult to assess performance. We continue to believe all of this information is best presented in the notes as the total for comprehensive income does not provide meaningful comparisons for the operating performance of the business.

- **The Proposed ASU unnecessarily expands and duplicates existing disclosure requirements** – We do not receive questions from investors or analysts regarding existing AOCI disclosures and do not support providing details of additions to and reclassifications out of AOCI in a single, prominent footnote complete with roll-forward information. Disclosure requirements already exist elsewhere in GAAP for investors to understand AOCI items impacting earnings, such as derivatives and pensions. Expanding disclosures to present “ins” and “outs” and related tax effects by component is generally not relevant, except perhaps for isolated events. Rather than create redundancies with existing requirements, we believe the Proposed ASU should offer a choice between maintaining current disclosures in the notes covering AOCI items such as derivatives and pensions or providing them in an AOCI footnote, but not provide them twice. Similar to pensions, the Board should allow cross-referencing for derivatives and other AOCI items impacting earnings or otherwise provide them qualitatively.

- **Disclosing the tax effect for activity within each AOCI component is unnecessary** – Should detailed footnote disclosure of AOCI activity be maintained, the tax effect should only be presented as a single, aggregate tax effect for all items of other comprehensive income rather than for each component. The tax effect is not required for each line item in the primary income statement – nor should it be. We do not see the rationale for requiring taxes for each component of comprehensive income. Investors can make their own estimates from effective tax rate disclosures when and if needed. Providing this level of detail will be very cumbersome, with limited usefulness. We would expect this will be a compliance disclosure that will seldom, if ever be utilized by investors. Given its prominence, and requirement to “tie out” to total changes in equity, immaterial items will require the same emphasis and disclosure as material items which is in conflict with the recent Discussion Paper on the Disclosure Framework.
Detailed AOCI disclosures should only be required annually -- Regardless of the final approach chosen for the Proposed ASU, quarterly reporting requirements should not include the same level of detail as the annual statements. A condensed quarterly AOCI roll-forward will be sufficient for investors given annual disclosures will already provide details on all P&L locations and reclassification amounts for pensions and retiree medical amortization (which generally do not change significantly quarter-to-quarter within a year), while derivatives reclassification information is already required to be provided each quarter in a financial instruments footnote. Should significant quarterly events occur, for example the sale of a non-U.S. business resulting in the release of deferred foreign currency translation into earnings, incremental quantitative and qualitative discussion could be added easily for that event.

We appreciate the opportunity to respond and trust that our comments will be seriously considered by the Board.

Sincerely,

Richard J. Schlueter
Vice President, Controller
& Chief Accounting Officer

cc: Frank J. Dellaquila
    Senior Vice President & Chief Financial Officer