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

File Reference No. 2011-150, *Supplementary Document - Financial Instruments: Impairment*

Dear Ms. Cosper:

Verizon Communications Inc. (Verizon) appreciates the opportunity to comment on the proposed Accounting Standards Update, *Supplementary Document - Financial Instruments: Impairment*. Verizon is one of the world's leading providers of communication services and is a registrant with the SEC.

Overall, we support the direction of the Financial Accounting Standards Board and the International Accounting Standards Board (the Boards) in jointly developing an accounting model for impairment of financial instruments. However we have some concerns related to the scope as discussed below.

It is our understanding that the proposals in the supplementary document would apply to certain financial assets that are managed on an open portfolio basis. Based on these criteria, it is our belief that investments in debt securities are not within the scope of this proposal because the credit risk for such securities are typically not managed on a portfolio basis but rather on an individual security basis. We request that this scope exception be further clarified in the final document.

The FASB and IASB should develop a converged approach to impairment and that a single model for loans and debt securities is not necessarily the best approach. We believe that the current impairment testing model under US GAAP for investments in debt securities under ASC 320-10-35 (FSP FAS 115-2) is operational and should be retained. The current US GAAP model requires the recognition of impairment when an entity does not expect to recover the cost basis of a debt security or when the entity has the intent to sell in a loss position. Conversely, we believe that the guidance proposed in this supplemental document would be operationally complex and difficult to implement. Accordingly we believe that the current model should be retained and not changed.

Additionally, we request that the FASB exclude short-term trade receivables from the scope of this proposed ASU. Verizon believes that short-term receivables should continue to be accounted for under current guidance with provisions made for uncollectible amounts, based on analyses such as an aging of accounts receivable. Unlike mortgage lenders, Verizon typically extends credit for periods no greater than thirty days and typically has a high volume of customer accounts and ever changing receivable balances. For these reasons, we believe that recognition of credit losses (bad debt expense) through the allowance for uncollectible accounts is the most appropriate method.

Thank you for the opportunity to comment. We would be pleased to discuss our comments in more detail with members of the Board or staff.

Respectfully submitted,

Michael W. Morrell
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