

April 19, 2012

Technical Director  
File Reference No. 2012-100  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116  
Via email: [director@fasb.org](mailto:director@fasb.org)

**Re: Proposed Accounting Standards Update, *Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment***

Navistar International Corporation (“Navistar” or “we”) wishes to offer its comments on the Financial Accounting Standards Board’s (the “Board”) proposed update to Topic 350 “*Intangibles – Goodwill and Other.*” Navistar appreciates the Board’s objective to reduce the complexity and costliness of an entity’s annual impairment test for indefinite-lived intangible assets other than goodwill by including an option to evaluate the likelihood of impairment through a qualitative assessment prior to requiring a quantitative test. We believe this approach to impairment testing brings the guidance in line with the recently adopted guidance for assessing goodwill impairment.

**Question 1:** *Please describe the entity or individual responding to this request:*

Navistar (NYSE: NAV), is the nation’s largest combined commercial truck, school bus and mid-range diesel engine producer. As of October 31, 2011, our most recent fiscal year end, Navistar’s balance sheet included approximately \$319 million of goodwill and approximately \$67 million of dealer franchise rights and trademarks which are classified as other indefinite-lived intangible assets.

**Question 2:** *For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.*

We believe that in situations in which the qualitative assessment can be utilized to determine that it is not more likely than not that an indefinite-lived intangible asset is impaired would reduce the overall cost and complexity associated with the annual impairment test. Additionally, we believe this proposed ASU would bring the requirements for testing indefinite-lived intangible assets in line with the guidance for testing goodwill for impairment.

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

We expect that we would utilize the qualitative assessment included in the proposed amendments for the indefinite-lived intangible assets impairment test.

**Question 4 & 5:** *Not applicable to preparers of financial statements.*

**Question 6:** *Do you agree that the examples of events and circumstances in paragraph 350-20-35-3(a) through (e) are helpful in assessing whether significant inputs to the fair value measurement have changed significantly to indicate that it is more likely than not that an indefinite-lived intangible asset is impaired? If not, what additional examples of events and circumstances do you suggest?*

We believe that the examples of events and circumstances included in the proposed amendment are adequate.

**Question 7:** *Do you agree that nonpublic entities should be exempt from disclosing quantitative information about significant unobservable inputs used in measuring the fair value of an indefinite-lived intangible asset as required in paragraph 820-10-50-2(bbb), as amended by Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs? If not, please explain why.*

We do not object to exempting nonpublic entities from disclosing quantitative information about significant unobservable inputs used in measuring the fair value of an indefinite-lived intangible asset as required in paragraph 820-10-50-2(bbb).

**Question 8:** *Do you agree with the proposed effective date provisions? If not, please explain why.*

We agree with the proposed effective date provision and the allowance for early adoption.

*Summary*

Thank you for your consideration of our comments. If requested, we would be pleased to discuss our comments with you at any time.

Sincerely,



Richard Tarapchak  
VP & Corporate Controller