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Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference Number: 2019-200

Re: Invitation to Comment, Measurement and Other Topics Related to Revenue Contracts with Customers under Topic 805

Verizon Communications Inc. ("Verizon") appreciates the opportunity to comment on the Measurement and Other Topics Related to Revenue Contracts with Customers under Topic 805. Verizon, one of the world's leading providers of communications services, is a registrant with the Securities and Exchange Commission (the "SEC") and is classified as a Large Accelerated Filer.

Below we outline our perspective on some of the key questions raised in the Invitation to Comment.

Payment Terms and Their Effect on the Subsequent Revenue Recognized

We support the viewpoint that the recognition of a liability for deferred revenue under Topic 805 should be based on the concept of a performance obligation included in Topic 606 because this would drive consistency in practice. On the question of measurement, the requirement to ensure the timing of payment does not impact the amount of revenue recognized by the acquirer will cause significant changes in current practice and may lead to unintended consequences. For example, the acquirer will need to assess, for individual or portfolio of contracts, whether there are any identifiable assets that need to be recognized. There may be practical, legal and regulatory barriers that limit the acquirer's access to such detailed information on revenue contracts prior to the consummation of an acquisition. As a result, the timeliness of completing an acquisition as well as the structure of an acquisition (e.g. earn-out provision based on revenue target) could be impacted. We encourage the Board to reconsider the need to apply a

requirement that, while conceptually sound, would add complexity and costs which would go against the Board's broader intention of simplifying accounting standards.

Costs to Fulfill a Performance Obligation in Measuring the Fair Value of a Contract Liability for a Revenue Contract under Topic 805

We believe the fair value measure of a contract liability should include an estimate of costs that will be incurred by the acquirer to fulfill its acquired performance obligations. Accordingly, the fair value of a contract liability acquired in a business combination should consider a contributory charge for an asset that is used in fulfilling the acquirer's performance obligations.

We support the position that the unit of account to be used in the subsequent measurement of an arrangement after a business combination to be under Topic 606 for contracts with customers. We believe that this will reduce complexity of applying subsequent measurement guidance and aligns with the practice of using Topic 842 to measure leases acquired in a business combination.

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

Respectfully Submitted,

A handwritten signature in black ink that reads "Tracy Krause". The signature is written in a cursive, flowing style.

Tracy Krause
Vice President of Accounting & External Reporting