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LETTER OF COMMENT NO.140

Mr. Russell Golden, Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Subject: File Number 1630-100, Preliminary Views on Financial Statement Presentation

Dear Mr. Golden:

We appreciate the opportunity to provide our comments regarding the joint Financial Accounting Standards Board ("FASB") and International Accounting Standards Board ("IASB") discussion paper entitled "Preliminary Views on Financial Statement Presentation". The intent of our letter is to address our position on the discussion paper, from our perspective as a leading provider of systems, products, and solutions to government and commercial customers, also taking into consideration the FASB and IASB convergence projects currently underway.

Overall, we do not feel that the proposed financial statement presentation model will significantly improve the usefulness of the information provided in an entity's financial statements or make user decisions easier. While we support the fundamental objectives of increased comparability and consistency between entities worldwide, we do not believe that the methods proposed will achieve their intended goal for several reasons. Financial statements are prepared and used by a company's management to operate its business, while providing important information to shareholders and others as to how well management is performing. Our primary concern is that although the proposed financial statement presentation model may be helpful to some investors, it represents a significant departure from the current model which will not be practical, functional, or usable by most, including management for the majority of companies. These changes will come at a significant additional cost, largely due to accounting information system changes required to accumulate data to meet the new requirements.

We do not take exception to the following three objectives for presenting financial statement information as stated in the discussion paper:

- 1) Portray a cohesive financial picture of an entity's activities
- 2) Disaggregate information so that it is useful in predicting an entity's future cash flows
- 3) Help users assess an entity's liquidity and financial flexibility

However, we feel that the financial statement presentation model currently in place adequately and most effectively satisfies the above objectives to the extent that it is feasible for historical financial information to support those objectives. Additionally, we feel that the proposal outlined in the discussion paper to modify the financial statement presentation format in an effort to further achieve the first and third objectives would create the need for an undue amount of additional effort and investment, as information is not currently gathered in the manner described, specifically by "nature" of the item, nor is it analyzed by management as contemplated in the outline. We believe that the financial statements should be prepared in a manner which meets their most critical utility: to provide management with information about the operations of the company. With this information, management makes decisions affecting the future performance of the business. We feel that today's US GAAP financial presentation model currently meets this objective and provides other users a cohesive financial picture of the company's activities and the information needed to assess the company's liquidity and financial flexibility. Changing the way this information is presented to a model inconsistent with the way management utilizes information will neither increase the cohesiveness of the financial picture, including liquidity and financial flexibility, nor provide representative information to better predict future cash flows. Such changes would not significantly benefit the users of the financial information and would only increase the cost of financial statement preparation, which benefits

The proposed financial statement model appears to call for increased use of judgment, as each company must qualitatively explain in their footnotes the rationale used to classify their assets and liabilities into categories and sections within the Statement of Financial Position. Similarly, the line items within the Statement of Comprehensive Income that will be required to be presented by their nature will likely vary from company to company as each company will have a unique interpretation of how revenue and expenses should be combined and presented to best express their "nature". Further, most accounting systems in use today are not configured to accumulate information by nature, as that information is not used by management for decision-making purposes. Thus a large investment would be required by most companies to obtain information that is not representative of the way management looks at its business. Additionally, we feel that as a result of the proposed changes to the presentation of the Statement of Financial Position and Statement of Comprehensive Income the comparability and consistency between companies' financial statements may actually be reduced.

With regard to the second objective, we do not believe that further disaggregation of financial information will substantially increase the utility of historical information in predicting an entity's future cash flows because of the lack of other relevant information and judgments necessary to accomplish that objective. Disaggregated financial information, as anticipated by the second objective, will increase the complexity and introduce greater judgment into the

financial statement presentation process, particularly as it relates to the proposed organizational changes to the Statement of Financial Position and the Statement of Comprehensive Income. It may be useful for companies to better communicate information about items that are non-recurring, or that reflect unusual trends or conditions in their business. However we're concerned that disaggregation of financial statement elements with the goal of allowing users to better predict future cash flows may cause undue reliance on the historical information presented, especially in the absence of specific safe harbor coverage on these elements.

Finally, we believe that, under the current economic environment and in light of the convergence projects outlined in IASB-FASB Memorandum of Understanding, other projects which specifically relate to measurement and accounting for transactions should take higher priority than the financial statement presentation project in terms of allocation of regulatory and company staff resources and investment in systems.

In summary, we feel that the costs of adopting the revised financial statement presentation model largely exceed the benefits. Accordingly, we propose that the financial statement presentation model as it currently exists, be retained.

We appreciate the opportunity to comment on this proposed financial statement model, and would be pleased to discuss further our company's perspective.

Respectfully,

Kenneth N. Heintz

Corporate Vice President, Controller and

Chief Accounting Officer