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November 12, 2010

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

File Reference No. EITF100A

Re: Proposed Accounting Standards Update, "How the Carrying Amount of a Reporting Unit Should be Calculated When Performing Step 1 of the Goodwill Impairment Test"

We appreciate the opportunity to respond to the Financial Accounting Standards Board's (FASB or the "Board") Proposed Accounting Standards Update, "How the Carrying Amount of a Reporting Unit Should be Calculated When Performing Step 1 of the Goodwill Impairment Test" ("the Exposure Draft"). We fully support the Board's efforts to address constituent questions and eliminate current diversity in practice.

## Question 1 - Do you agree that the equity premise should be the only permissible methodology for Step 1 of the goodwill impairment test? If not, why not?

We do not object with the required use of the equity premise in calculating the carrying amount of the reporting unit in Step 1 of the goodwill impairment test in order to eliminate the current diversity in practice. However, we are concerned that the proposed amendments are creating a "bright line" test in which only reporting units with zero or negative carrying amounts would be required to consider the adverse qualitative factors and potentially address the second step of the goodwill impairment test. For example, consider a situation in which two entities each have reporting units with significant adverse qualitative factors associated with them. Entity A's reporting unit has a slightly positive carrying amount, and Entity B's reporting unit has a carrying amount of \$0. Under the proposal, only Entity B would be required to continue to Step 2 of the goodwill impairment test and potentially record an impairment charge. We also observe that the Exposure Draft would not require Entity A to proceed to Step 2 even if Entity A expects to sustain losses during the current reporting period that would cause reported equity to be reduced to zero or become negative. To further increase comparability as this Exposure Draft intends, we believe that reporting units with little, zero, or negative carrying value should be required to continue to Step 2 if adverse qualitative factors have arisen.

In addition, we believe the Board should address the concerns raised regarding the estimated value of debt (par or estimated fair value) to be used when calculating the estimated equity fair value. We note the Board received comments regarding the disparity in practice in the determination of the estimated equity value of a reporting unit when enterprise value is used as the starting point for such calculation. Absent the Board's clarification, we believe this diversity will continue to exist, which may result in a lack of comparability among reporting entities.

We suggest that a clarification be added to the Exposure Draft in which the equity premise is still the required methodology, but which requires entities to use the par value of debt in determining the reporting unit's estimated fair value assuming that it is the entity's intention to hold the debt to maturity or pay at par prior to maturity. If the entity does not intend to hold debt to maturity, it should utilize the estimated fair

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value of debt. This methodology should result in a calculated reporting unit equity fair value that is more representative of the price that a third party would be required to pay for a reporting unit.

Question 2 - Do you agree with the qualitative factors that have been provided for reporting units with zero or negative carrying amounts to consider in determining whether it is more likely than not that a goodwill impairment exists? If not, why not? Are there additional factors that also should be included?

We believe the qualitative factors provided are sufficient.

Question 3 - Do you need more guidance on how to determine if it is more likely than not that goodwill is impaired at transition? If so, please describe what may be helpful with that determination.

No, we believe that this is an area of professional judgment for which adequate guidance is provided in the Exposure Draft.

Question 4 - For reporting entities that have used an enterprise premise to calculate the carrying amount of a reporting entity for Step 1 of the goodwill impairment test, do you believe that applying the amendments in this proposed Update would result in different conclusions about the need to perform Step 2? If so, please describe such scenarios.

We believe there may be situations where the revised methodology brings to light the need for a step 2 analysis. A reporting entity with negative equity value that previously used the enterprise premise and passed step 1 may determine that they need to perform step 2 based on qualitative factors under the revised methodology.

Question 5 - Do you agree with the proposed effective dates for public and non-public entities? Are they operational? If not, why not?

We believe the effective date provides sufficient time for all preparers to effectively implement the proposed amendments.

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We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the FASB staff or the Board may have. Please contact me at 913-315-7600 should you have any questions regarding our submission.

Sincerely,

Rvan H. Siurek

Vice President – Controller Sprint Nextel Corporation