



June 2, 2011

The Dow Chemical Company  
Midland, Michigan 48674  
USA

Via email to: [director@fasb.org](mailto:director@fasb.org)

Susan M. Cospers, Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, Connecticut 06856-5116

**Re: File Reference: No. 2011-180, Proposed Accounting Standards Update,  
Intangibles – Goodwill and Other (Topic 350); Testing Goodwill for Impairment**

Dear Ms. Cospers:

The Dow Chemical Company (“Dow”) appreciates the opportunity to comment on the Financial Accounting Standards Board’s Proposed Accounting Standards Update, “Testing Goodwill for Impairment”.

The proposed guidance is intended to reduce the cost and complexity related to how an entity is currently required to test goodwill for impairment by giving companies an option to perform a qualitative assessment to determine the need for further impairment testing. While this qualitative assessment adds an amount of subjectivity to the testing, Dow is in agreement with the proposed guidance and we believe that once implemented, it should reduce unnecessary costs associated with calculating the fair value of those reporting units where there is no indication of potential impairment. Our responses to the specific questions for respondents are below:

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

The Dow Chemical Company is a publically traded, worldwide manufacturer and supplier of products used primarily as raw materials in the manufacture of customer products. Dow’s diversified portfolio of specialty chemical, advanced materials, agrosiences and plastics businesses deliver a broad range of technology-based products and solutions to customers globally in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2010, Dow had annual sales of \$53.7 billion and employed approximately 50,000 people. At December 31, 2010, Dow carried approximately \$13 billion of goodwill on its balance sheet.

***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 the proposed amendments to the current guidance should simplify the process and reduce overall costs. Permitting the option to perform a qualitative assessment as a basis for determining whether it is necessary to perform the two-step goodwill impairment test will eliminate the amount of time and effort spent on the quantitative testing of reporting units that can reasonably be assessed based on qualitative factors. This in turn will allow more attention to be placed on those reporting units that require further support beyond what the qualitative assessment can provide.

***Question 3: For preparers, do you expect your entity will chose to perform the qualitative assessment proposed in the amendments, or will your entity chose to proceed directly to performing the first step of the two-step impairment test? Please explain.***

We fully expect to exercise the option to perform the qualitative assessment permitted by the proposed guidance. Within Dow, a significant amount of time, effort, and resources are dedicated to goodwill impairment testing. While the same emphasis will be placed on the testing under the proposed guidance, we expect that implementation of the qualitative assessment will allow for a more focused effort in the quantitative testing.

***Question 4-5: Not applicable to preparers.***

***Question 6: Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?***

We agree that the examples of events and circumstances as outlined in the proposed guidance are adequate and lend further clarity to the examples that an entity should consider between annual impairment tests as provided in the current guidance. However, example g. of 350-20-35-3C, regarding a sustained decrease in share price, appears to be more of an entity level factor rather than a reporting unit factor. Given that goodwill impairment testing is performed at the reporting unit level, further guidance on how this should be considered when assessing a specific reporting unit would better enable entities to apply this example.

***Question 7: Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the guidance be improved?***

We agree that the guidance in the proposed amendments is clear and provides direction as to the nature of the types of events and circumstances that should be considered. As noted in the proposed guidance, the examples provided are not meant to be all inclusive. Therefore, we believe it will be necessary to have agreement between preparers and auditors on any other relevant events and circumstances that should be considered in the qualitative assessment so that it meets its intended purpose.

***Question 8: Do you agree with the Board's decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.***

We agree with the Board's decision to make the proposed amendments applicable to both public and nonpublic entities.

***Question 9: Do you agree with the proposed effective date provisions? If not, please explain why.***

Yes, we agree with the proposed effective date provisions as well as the option for early adoption.

Thank you for the opportunity to provide comments. If you have any questions or would like to discuss further, please let me know.

Best regards,



Ronald C. Edmonds  
Vice President and Controller