

November 21, 2011

Ms. Susan M. Cosper Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

File Reference No. 2011-240

PricewaterhouseCoopers appreciates the opportunity to comment on the proposed Accounting Standards Update, Comprehensive Income (Topic (220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (the "Proposal").

We support the Board's decision to indefinitely defer the requirement in Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic (220): Presentation of Comprehensive Income*, to measure and present reclassifications from accumulated other comprehensive income to net income by income statement line item in net income and also in other comprehensive income.

We understand that certain financial statement users desire information about how reclassifications impact net income and would like to see that information reported on the face of the income statement. We encourage the Board to conduct further outreach with a broad range of financial statement users to understand how pervasive these views are and the level of information desired. We also encourage the Board to explore alternative ways to provide that information that would not undermine the understandability of the income statement. We believe this should be an important objective of the Board. Our concern that the reclassification display would clutter the face of the income statement and potentially reduce its understandability was a primary reason why we did not support the requirement when it was proposed.

The Board also should engage with preparers to understand the operational challenges that would result from the reclassification display requirement. A discussion with preparers would also provide the Board an opportunity to reassess whether the benefits of the requirement outweigh the related costs. If that is the case, those discussions should also include gaining an understanding of the amount of time preparers would need to implement the changes.

We have answered the specific questions raised in the Proposal in the appendix to this letter. If you have any questions regarding our comments please contact Paul R. Kepple at (973) 236 5293 or Donald A. Doran at (973) 236 5280.

Sincerely.

PricewaterhouseCoopers LLP

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Appendix

Responses to the Questions for Respondents Contained in the Proposal

Question 1: Do you agree with the deferral? Why or why not?

Yes, we support the deferral. We are concerned that the requirement in Accounting Standards Update No. 2011-05 would increase the complexity, and potentially reduce the understandability, of the income statement when multiple line items are added. The deferral will enable the Board to further research the matter by conducting additional outreach and considering alternatives to address the needs of a broad range of financial statement users.

Question 2: Are there alternatives that the Board should consider for presenting reclassifications out of accumulated other comprehensive income that would be more cost effective that the one required by Update 2011-05?

We do not believe that the case has yet been made for presenting information about reclassification adjustments on the face of the income statement. The notes to the financial statements are an integral part of the financial statements and would seem to be an appropriate venue for conveying such information. It is also unclear to us what level of disaggregation of the impact of reclassification adjustments within net income is required by the broad population of financial statement users. Additional outreach to financial statement users should aim to establish what information they desire and whether it is best presented on the face of the income statement or in the notes to the financial statements, or a combination.

The Board should consider alternatives if it has established that the broad range of financial statement users require additional information about reclassification adjustments to be provided in the financial statements. Potential alternatives include presenting all the information in the notes, a combination of presenting summarized information on the face of the income statement with further details in the notes, or presenting the information on the face of the income statement. If some or all of this information is desired on the face of the income statement then alternatives include through parenthetical display, in a footnote, or in a separate table.

Question 3: If you provide an alternative to Question 2 above, please explain how your alternative would better serve the needs of users of financial statements than current requirements?

See our response to question 2. Further outreach of a broad range of financial statement users is needed to establish their information needs in order to determine if alternative displays are warranted.