



September 25, 2014

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

RE: File Reference No. 2014-210

Dear Ms. Cospers:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the Board's recently proposed Accounting Standards Update, *Inventory (Topic 330), Simplifying the Measurement of Inventory*, and we commend the FASB for its ongoing efforts to identify areas where financial reporting can be simplified while maintaining or enhancing decision-useful information.

We support the board's decision to simplify the accounting for inventory by requiring that inventory be measured at the lower of cost and net realizable value. We agree that replacing the concept of market, which necessitates measuring replacement cost, net realizable value and net realizable value less a normal profit margin, with a single measurement will create efficiencies for preparers and improve comparability between companies. Further, this change will more closely align U.S. GAAP and IFRS.

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PwC supports the Board's continuing simplification initiative, including the additional simplification topics recently added to the agenda. We believe the Board should continue to focus on those areas that (a) have broad impact, (b) remove exceptions and mechanical rules that lead to complexity while maintaining decision-useful information for investors, and (c) result in harmonization with international standards, if possible. Some examples of areas where we believe further simplification efforts would be welcomed include:

- accounting for income taxes
- stock-based compensation
- impairment of goodwill and long-lived assets, and
- earnings per share.

If you have any questions regarding our comments, please contact Elizabeth Paul at (973) 236-7270 or Bob Barrett at (973) 236-5602.

Sincerely,


PricewaterhouseCoopers LLP