

May 29, 2015

Technical Director
File Reference No. 2015-240
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116
Sent via email: director@fasb.org

Re: *Proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*

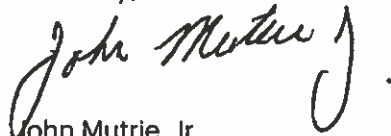
We appreciate the opportunity to respond to the Financial Accounting Standard Board's (FASB or the "Board") *Proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date* ("Proposed Update"). As a leading provider of wireless and wireline telecommunications services in the United States, we have been following the revenue recognition project closely.

We support deferral of the effective date of the new standard by at least one year as well as the Board's proposal to permit earlier application as of the original effective date of the Accounting Standards Update 2014-09. We appreciate the Board's willingness to reconsider effective date of the standard and the time and care that went into the research project to assess the need for such a deferral. Additionally, as an entity that reports results under both generally accepted accounting principles in the United States and International Financial Reporting Standards, we are proponents of the FASB and International Accounting Standards Board maintaining consistency in the effective dates of the revenue standards. Differences in the effective date would present significant implementation issues for Sprint and for other entities that have requirements to file under both bases of accounting.

Our responses to the questions posed by the Board in the Exposure Draft are included in an appendix to this letter. The questions posed are included in textboxes followed by our responses. Unless the context otherwise requires, references to "our," "us," or "we" mean the management of Sprint Corporation.

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 board may have. Please contact me at (913) 439-4607 regarding our submission if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John Mutrie, Jr." with a stylized flourish at the end.

John Mutrie, Jr.
Assistant Controller
Sprint Corporation

Appendix: Responses to Questions for Respondents

2015-240
Comment Letter No. 55

Question 1: Should the effective date of the guidance in Update 2014-09 be deferred for one year for public business entities, certain not-for-profit entities, and certain employee benefit plans? Please explain why.

Sprint's Response: We fully support the deferral of the effective date of the Update by at least one year. We believe that such a deferral is necessary due to the delay in the release of the initial standard, the level of debate still ongoing regarding the application of the standard among preparers, auditors and standard setters, the number of changes already proposed or being considered, and the amount of judgment that is ultimately required for implementation. We actively participate in a number of industry working groups, share forums and workshops and believe that there are numerous key aspects of the standard where divergent views are still being resolved while new issues are still being identified and escalated. For example, there are numerous complex and significant issues still being evaluated by the Financial Reporting Executive Committee (FinREC) from the original Update issued in May 2014. Additionally, the Board has recently issued an Update to the standard addressing such issues as identifying performance obligations and licensing, among others that will require additional evaluation by us and our auditors and may likely require analysis by FinREC. Until final consensus is reached on key issues, it is unlikely that companies will be able to ensure that all issues are adequately identified, enabling them to make critical implementation decisions concerning changes to systems, processes, and controls to adequately adopt the standard. Further, our understanding is that these issues are not isolated to the telecommunications industry but are widespread.

Due to the sheer volume of transactions that many entities have, especially in the telecommunications industry, a fully-functioning software solution is needed during the retrospective period to ensure a successful adoption of the standard. We, like many other companies, are still evaluating software solutions. We have found that there are number of vendors that do not yet have implementation-ready solutions and may not have a viable solution until 2016. Some of the versions that vendors may have available in the near term will lack the ability to fully comply with the standards, and accounting for such aspects as contract acquisition costs may not be available until later releases. The time necessary to implement and test the software once selected and available is expected to be significant. Consequently, absent the availability of a fully-developed software solution and final consensus on the application of the standard by all stakeholders, many entities would struggle to implement the standard retrospectively and, for some entities, a one year deferral alone may not be sufficient.

Question 2: Should the effective date of the guidance in Update 2014-09 be deferred for one additional year for all other entities? Please explain why.

Sprint's Response: We do not object to the one additional year for all other entities as it is consistent with the original difference in timelines in Update 2014-09 and the reasons expressed in the Basis for Conclusions to support that difference still exist.

Question 3: In addition to providing a one year deferral of the effective date of the guidance in Update 2014-09, should the Board also provide an optional two-year deferral for all entities that apply that guidance retrospectively to each reporting period presented? Please explain why.

Sprint's Response: As noted above, some entities that want to apply the guidance retrospectively will be better prepared to do so if they have an additional year beyond the contemplated one year deferral. We believe that all key stakeholders will benefit from additional time to implement the standard. A two year deferral may very well encourage more entities to consider the full retrospective application as well, and we expect that, absent a two-year deferral, there will be entities that will not apply the guidance retrospectively to each reporting period presented. However, we do not believe that the method of retrospective application should dictate the timeline for which an entity would be required to adopt the provisions of the standard. Entities would be required to make that election

and commit to it well in advance to having to report under the standard. The decision would essentially become irrevocable more than a year in advance of their effective date. We believe the more appropriate answer would be to provide all public business entities with a two year deferral and then allow entities that are prepared to do so, the ability to adopt the standard as early as the original effective date.

Question 4: Should earlier application of the guidance in Update 2014-09 be permitted as of the effective date originally included in Update 2014-09? Please explain why?

Sprint's Response: Yes. While there may be concerns that there could be a lack of comparability, we believe that this will be short-term in nature. Companies who are fully prepared to adopt according to the initial timeline should not bear incremental costs to defer their implementation plan. Additionally, should a two-year deferral be extended to all entities, entities that are prepared as of the effective date would have to bear the cost for an even longer period of time. We believe that the required disclosures can assist users in understanding differences and that the benefits of allowing companies that need the additional implementation time outweigh the short-term issues concerning comparability.