LIBERTYGLOBAL

April 16, 2009

U.S. Securities and Exchange Commission
Attn: Secretary
100 F Street, NE
Washington, DC 20549-1090

Re: File No. S7-27-08 *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by Issuers*

Dear Secretary:

We thank you for the opportunity to comment on the proposed rule: *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by Issuers* ("the Roadmap") as published by the Securities and Exchange Commission ("the Commission"). Under *General Considerations* below, we have provided our comments to selected questions presented by the Commission in the Roadmap. Following this section is a more detailed discussion of specific issues we expect to encounter in fully complying with IFRS.

General Considerations

1. Do commenters agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not? What are commenters' views on the potential for IFRS as issued by the IASB as the single set of globally accepted accounting standards?

Worldwide implementation of a single set of high-quality accounting and financial reporting standards has the potential for many benefits, which include (i) the streamlining of financial reporting processes for both investor and statutory reporting purposes, (ii) improving financial statement comparability between U.S. issuers and its foreign competitors, and (iii) creating easier access to foreign capital markets for U.S. companies. However, we do not believe that the adoption of current IFRS standards will necessarily result in accounting and financial reporting that is of a higher quality than current U.S. GAAP. In this regard, we believe that completion of the FASB's and IASB's joint work plan prior to the mandatory IFRS adoption date would further enhance the quality of IFRS. This is particularly true for areas such as revenue recognition, where IFRS currently provides limited guidance.

Also, while U.S. GAAP may be more rules-driven than IFRS, we believe that, in many cases, U.S. GAAP provides useful guidance that generally results in consistent accounting for the same facts and circumstances. Conversely, the principles-based nature of IFRS relies much more heavily upon management judgment in choosing the appropriate accounting treatment. IFRS also lacks industry-specific guidance that would be useful in ensuring consistent accounting treatment within a given industry. Accordingly, in the absence of a concerted and cooperative effort by companies to adopt consistent IFRS accounting policies within a given industry group, we believe that different accounting treatments for similar facts and circumstances will be more prevalent than what currently exists under U.S. GAAP. As any such effort would be largely voluntary, we think it is reasonable to expect a greater diversity of accounting practices under IFRS, and accordingly, are concerned that the ideal of one set of high-quality accounting principles will not be realized in practice. Further, as noted in an article recently published in the Journal of Accountancy, the emphasis on judgment under current IFRS standards could lead to the development of national interpretations of IFRS that are influenced by local culture[1]. Our concern is that these situations could undermine the comparability that currently exists among U.S. issuers, and may not ultimately improve comparability overall from a global perspective, unless an independent international regulating body is empowered to enforce the consistent and accurate application of IFRS standards. Without such a regulating body, we believe that national regulatory authorities may, from time to time, allow aggressive or improper interpretations of IFRS by constituent companies. This has already occurred in France, where French regulators allowed Societe General to push back losses to prior years contrary to IFRS[2]. While we recognize that highly

[1] Reference: *IFRS: Beyond the Standards,* Journal of Accountancy, February 2009.
[2] Reference: *Loophole Lets Bank Rewrite the Calendar,* NY Times, March 7, 2008.

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restrictive rules in many cases may not necessarily result in "better" accounting, less restrictive accounting will naturally require a much greater degree of oversight if the goal of worldwide comparability for investors is to be achieved.

We recognize that consistent worldwide enforcement of a single set of high-quality accounting standards may be difficult, if not impossible, to achieve. The ultimate conclusion may be that local cultural considerations will prevent effective worldwide enforcement of IFRS. Accordingly, we believe that convergence, rather than IFRS adoption for U.S. companies, would be the better avenue to improve consistency and comparability between U.S. companies and non-U.S. companies. Convergence can be effective at both, (i) transitioning U.S. GAAP to a more principles-based approach, and (ii) influencing IFRS to provide more guidance in areas that are considered absolutely necessary. We fully concur that certain U.S. accounting standards have become irrational due to the sheer volume of specific rules that at times lead to an accounting answer that does not necessarily follow the substance of a transaction. In addition, U.S. accounting standards would benefit from the elimination of certain industry-based standards, such as Statement of Financial Accounting Standards No. 51, *Financial Reporting by Cable Television Companies* (SFAS 51), which has become less relevant as our industry has evolved.

Overall, we believe improving U.S. financial reporting standards and improving consistency and comparability of financial reporting of both U.S. and non-U.S. companies are important goals. We support a date certain conversion to IFRS as a means to achieving these goals ***if*** a proper system of oversight and enforcement can be established on a worldwide basis. However, we believe it is likely that numerous obstacles will prevent effective worldwide enforcement of IFRS and accordingly, a renewed focus on convergence would be a more efficient and cost-effective solution to achieve these goals.

3. *Do commenters agree with the timing presented by the milestones? Why or why not? In particular, do commenters agree that the Commission should make a determination in 2011 whether to require use of IFRS by U.S. issuers? Should the Commission make a determination earlier or later than 2011? Are there any other timing considerations that the Commission should take into account?*

As we indicate in our previous response to question (1), we believe that convergence of U.S. GAAP and IFRS is a preferable alternative to the mandated adoption of IFRS by U.S. issuers. However, if the Commission were to make a decision to require the use of IFRS by U.S. issuers, we believe it would not be in investors' best interest for the Commission to make such a decision unless, and until all critical milestones are met, such as (i) establishing an independent international regulating body to oversee and enforce consistent application of IFRS worldwide, and (ii) making necessary changes in the U.S. legal, regulatory and educational systems to accommodate a less prescriptive principles-based framework .

However, our primary concern with the current Roadmap is the short period between the decision to adopt IFRS by the Commission in 2011 and the January 1, 2012 transition date. Under the current Roadmap, registrants would need to have all systems and processes in place to report under IFRS by the beginning of 2012. Assuming the Commission decides to adopt IFRS, we would encourage the Commission to allow registrants a minimum of 24 months prior to the beginning of the first period that registrants are required to follow IFRS. We believe at least 24 months will be needed prior to the date of transition in order for companies to properly address all internal control and accounting system considerations. The 24-month estimate is based on our internal assessments as well as views presented to us from two of the "Big 4" accounting firms, including our audit firm. A decision to switch to IFRS in 2011 with a January 1, 2012 transition date would give registrants less than 12 months to address all considerations. We further note that we do not believe it is prudent for our company to commit significant resources to the implementation of IFRS unless and until there is certainty as to whether and when U.S. issuers will be required to adopt IFRS. In this regard, the uncertainty with respect to eventual IFRS adoption in the U.S. makes it difficult for companies to justify the early expenditure of time and resources on the conversion effort, thus requiring greater lead time once the final determination is made. Therefore, if the determination to require the use of IFRS were made in early 2011, we would ask that the required use of IFRS should not be effective prior to 2015. Alternatively, if the 2014 deadline is kept for the required use of IFRS, we would request that only one prior year IFRS comparatives be required, which would delay the date for us to complete process and system changes to January 1, 2013.

4. What are commenters' views on the mandated use of IFRS by U.S. issuers beginning in 2014, on an either staged-transition or non-staged transition basis? Should the date for mandated use be earlier or later? If the Commission requires the use of IFRS, should it do so on a staged or sequenced basis? If a staged or sequenced basis would be appropriate, what are commenters' views on the types of U.S. issuers that should first be subject to a requirement to file IFRS financial statements and those that should come later

in time? Should any sequenced transition be based on the existing definitions of large accelerated filer and accelerated filer? Should the time period between stages be longer than one year, such as two or three years?

We believe that the period of time during which both U.S. GAAP and IFRS are used by U.S. issuers should be minimized for comparability reasons. Therefore, we would not be in favor of a staged or sequenced transition.

9. What are commenters' views on the IASB's and FASB's joint work plan? Does the work plan serve to promote a single set of high-quality globally accepted accounting standards? Why or why not?

As noted in our response to question (1), we believe that a focus on convergence, rather than a set date for conversion to IFRS, can achieve the goal of promoting a single set of globally accepted accounting standards. Accordingly, we support the objectives of the IASB's and FASB's joint work plan. However, we do have concerns about how this joint work plan is currently operating. A number of FASB standards have been issued after the date of the Norwalk Agreement that are not fully consistent with the goal of convergence with IFRS. Our view is that the efforts and resources of the FASB and IASB should be focused primarily towards accomplishing the objectives set forth in their joint work plan, which is designed to bring about convergence on the most pressing issues. Accordingly, we believe that interpretations of existing U.S. GAAP or the issuance of new standards that are inconsistent with, or have no relevance to IFRS, should be given a significantly lower priority than the joint work plan.

10. How will the Commission's expectation of progress on the IASB's and FASB's joint work plan impact U.S. investors, U.S. issuers, and U.S. markets? What steps should be taken to promote further progress by the two standard setters?

We reiterate that we believe that convergence of IFRS and U.S. GAAP would be the best approach if it can be accomplished in a reasonable time, and we would support the SEC using its influence to encourage timely completion of the joint work plan. If the reality is that the Commission would consider requiring the use of IFRS regardless of the status of the convergence efforts in 2011, then we would suggest removing this item from the list of milestones. While we consider this to be an important factor in the decision to move to IFRS, it is not as critical, in our view, as establishing an international regulating body that is independently financed and empowered to enforce IFRS worldwide.

11. The current phase of the IASB's and FASB's joint work plan is scheduled to end in 2011. How should the Commission measure the IASB's and FASB's progress on a going-forward basis? What factors should the Commission evaluate in assessing the IASB's and the FASB's work under the joint work plan?

As stated above, we think convergence of IFRS and U.S. GAAP is the best option. If, on the other hand, the Commission were to determine to require U.S. issuers to adopt IFRS, we believe the Commission should identify the specific hurdles which need to be met by the standard setters before requiring the use of IFRS for U.S. issuers.

12. What are investors', U.S. issuers', and other market participants' views on the resolution of the IASB governance and funding issues identified in this release?

We consider the establishment of an independent regulatory body that is empowered to enforce and interpret IFRS on a worldwide basis to be the most important prerequisite to the Commission mandating the use of IFRS for U.S. issuers, as presented in our response to question (1) above.

14. Are there any other significant issues the Commission should evaluate in assessing whether IFRS is sufficiently comprehensive?

Yes. In particular, three issues we are focused on are push down accounting, the status of IFRS 1 and issues related to public subsidiaries that currently report under IFRS:

- *Push Down Accounting* - Currently, we understand that push down accounting would not be permitted under IFRS. Our view is that push down accounting should either be required in appropriate circumstances, as per the SEC's current guidance, or at least be a policy decision if the appropriate criteria are met. We have applied push down accounting throughout our organization, and unwinding that accounting to comply with IFRS would be cost prohibitive. See further discussion under *Specific Issues* below.

- *IFRS 1* - Given the comprehensive nature of U.S. GAAP, a thorough reconsideration of IFRS 1 exemptions should be completed prior to the Commission making its final determination to require IFRS. Transitioning U.S. GAAP to IFRS without additional IFRS 1 exemptions could prove to be extremely difficult and costly.
- *Public Foreign Subsidiaries* – As the IFRS accounting policies adopted by a U.S. issuer could differ from the IFRS policies already adopted by its majority-owned foreign public subsidiary, we believe a mechanism is needed that would allow public foreign subsidiaries who report under IFRS to adopt parent IFRS policies without requiring retroactive restatement or a preferability assessment. At a minimum, a solution that is both practical and useful to the investors of both the parent and the public foreign subsidiary is needed.

15. Where a standard is absent under IFRS and management must develop and apply an accounting policy (such as described in IAS 8, for example) should the Commission require issuers to provide supplemental disclosures of the accounting policies they have elected and applied, to the extent such disclosures have not been included in the financial statements?

No. Our general view is that the Commission should not supplement the accounting or disclosure guidance provided by IFRS. This should instead come from an empowered international regulating body. In this regard, in the event U.S. companies convert to IFRS, we believe that all current Commission rules that deal with accounting or financial statement disclosure issues should be purged in order to ensure a level international playing field.

31. What difficulties, if any, do U.S. issuers anticipate in applying the requirements of IFRS 1 on first-time adoption of IFRS, including the requirements for restatement of and reconciliation from previous years' U.S. GAAP financial statements?

We expect to encounter difficulties in (i) applying the IFRS impairment rules as it relates to reallocating goodwill and testing for impairment at the cash generating unit level rather than the reporting unit level, (ii) unwinding push down accounting, (iii) componentizing our property and equipment and the related recasting of depreciation and retirements, and (iv) determining retrospective effects of any changes to our policies for capitalizing internal costs or recognizing installation fee revenue (given that IFRS does not have a SFAS 51 equivalent). When considering a mandatory conversion to IFRS for U.S. issuers, we request the Commission to consider heavily the cost to issuers of implementation versus the relative improvement in the quality of the financial statements for investors. The potential need for additional IFRS 1 exemptions should be an important consideration in this project. Also, it would be very helpful if any changes to IFRS 1 and Commission rules and regulations could be finalized before the first day of the first period in which U.S. companies would be required to follow IFRS. For example, if the Commission requires a three-year presentation such that IFRS financial statements would be required to be provided for 2015, 2014 and 2013, we would suggest that IFRS 1 and Commission rule changes should be finalized and communicated prior to January 1, 2013.

33. To facilitate the transition to IFRS, should we add an instruction to Form 10-K and Form 10-Q under which an issuer could file two years, rather than three years, of IFRS financial statements in its first annual report containing IFRS financial statements as long as it also filed in that annual report three years of U.S. GAAP financial statements? Under such an approach, an issuer could, during its third year after beginning its IFRS accounting, choose to file a Form10-K/A with IFRS financial statements covering the previous two fiscal years. For the current (third) fiscal year, the issuer could then file quarterly reports on Form 10-Q using IFRS financial statements. For example, a calendar-year issuer that began its IFRS accounting for the 2010 fiscal year would use U.S. GAAP to prepare its Forms 10-Q and Forms 10-K for the 2010 and 2011 fiscal years. In 2012, that issuer would have the option of filing a Form 10-K or a Form 10-K/A with IFRS financial statements for 2010 and 2011, which would allow it to use IFRS in its quarterly reports during 2012, or continuing to use U.S. GAAP. In either case, the Form 10-K covering the 2012 fiscal year would include three years of IFRS financial statements.

We are not in favor of this idea and believe that a better approach would be to make the first Form 10-K of the transition year the first report to contain IFRS financial statements. Within this first Form 10-K, we would be in favor of restating the quarterly financial information footnote to be in accordance with IFRS. We are not in favor of the early voluntary conversions because of the complexity that would be added to the environment by allowing two sets of accounting standards. We are fine with continuing to provide the comparative period information currently required for Forms 10-K and 10-Q as long as adequate lead time is allowed between the date the Commission makes it final determination as to whether IFRS will mandated for U.S. issuers and the date the first IFRS financial statements are required to be filed.

34. What are commenters' views on Proposals A and B relating to U.S. GAAP reconciling information? Which Proposal would be most useful for investors? Is there a need for the supplemental information provided by Proposal B? Would the requirement under Proposal B have an effect on whether eligible U.S. companies elect to file IFRS financial statements? To what extent might market discipline (i.e., investor demand for reconciliation information) encourage early adopters to reconcile to U.S. GAAP even in the absence of a reconciliation requirement?

Aside from the benefit of continuing to highlight and reinforce for investors the differences between IFRS and U.S. GAAP as it relates to a particular company, the primary benefits of Proposal B lie in (i) facilitating comparability between those issuers electing early adoption of IFRS and those still using U.S. GAAP, and (ii) aiding these "early adopters" in reverting back to U.S. GAAP should the Commission decide in 2011 not to move forward in mandating or permitting the use of IFRS in the future. In that we are not in favor of voluntary early adoption or of a staged or sequenced adoption, the benefits of choosing Proposal B would be greatly diminished should all U.S. issuers adopt at the same time; and therefore, not worth the additional costs of implementing. It is our view that the reconciliations required under IFRS 1 (Proposal A) will be sufficient in promoting investor understanding and appreciation of U.S. GAAP and IFRS differences.

56. Should the Commission address the implications of forward-looking disclosure contained in a footnote to the financial statements in accordance with IFRS 7? For example, would some kind of safe harbor provision or other relief or statement be appropriate?

Yes. We do not agree with the IFRS requirement to include forward-looking information in financial statement footnotes, and our first choice would be to lobby for the removal of this requirement. If making this change to IFRS is not possible, then any forward looking disclosure should be covered by safe harbor provisions regardless of whether such information appears in the financial statements or MD&A.

59. Are there issues on which further guidance for IFRS issuers would be necessary and appropriate?

Yes, pushdown accounting. See discussion of pushdown accounting below under *Specific Issues* and question 31 above.

Specific Issues

Asset Componentization

While we have not yet thoroughly investigated all of the various issues we may encounter in moving to asset componentization, we have concerns as to our ability to recreate historical fixed asset records at the level of detail necessary to accomplish this goal prior to adoption. We also believe the costs of investigating and making these changes for our organization will greatly exceed the potential benefits to investors. Therefore, we suggest that an IFRS 1 exemption from this requirement should be strongly considered. IFRS 1 currently allows entities to measure fixed assets at fair value on the transition date to IFRS, which is an alternative to the retrospective application of the component method of accounting for fixed assets. However, as we understand that any such valuation would need to reflect the asset componentization requirements of IFRS, any such valuation would be time-consuming and costly and, in our view, would not provide any significant benefit to investors.

Pushdown Accounting

Guidance concerning pushdown accounting is issued by the Commission only - neither U.S. GAAP nor IFRS currently address this issue. Therefore, it is our understanding that the use of pushdown accounting under IFRS will not be allowed. We have serious concerns as to whether we would be able to effectively "unwind" all of the acquisition related accounting entries that have been pushed down to the books of our subsidiaries, and more importantly, question the value to the investor of doing so. This exercise would require great time and expense in carving these amounts out from the underlying accounting systems of our subsidiaries, and in then recreating and subsequently maintaining separate ledgers at the parent level to properly account for these adjustments, with no apparent benefit to the investor from a financial statement perspective. Considering the lead time and expense that would be required for us to reverse our push down accounting and then maintain separate ledgers, we are anxious to learn how the Commission intends to resolve this issue.

We appreciate the opportunity to submit our comments on the Roadmap. If you have any questions regarding our comments, please contact me.

Sincerely,

Bernard Dvorak
Senior Vice President, Co-Chief Financial Officer

cc Leo Stegman, Vice President, Accounting and Reporting, Deputy Controller
Elizabeth Markowski, SVP General Counsel and Secretary
Ted Harms, Partner, KPMG LLP