



Northrop Grumman Corporation
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Falls Church, Virginia 22042-4511

January 2, 2018

Mr. Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Subject: File No. S7-08-17

Dear Mr. Fields:

We appreciate the opportunity to comment on the Securities and Exchange Commission's (the "SEC" or "Commission") Proposed Rule regarding the modernization and simplification of business and financial disclosure requirements in Regulation S-K (the "Proposed Rule"). Northrop Grumman is a leading global security company with annual sales of \$25 billion and approximately 67,000 employees. We provide products, systems and solutions in autonomous systems; cyber; command, control, communications and computers, intelligence, surveillance, and reconnaissance; strike; and logistics and modernization to government and commercial customers worldwide.

We commend the Commission for its continued focus on improving the effectiveness of disclosures and considering ways to modernize how information is communicated to investors. We also appreciate your consideration of the comments we made in our September 27, 2016 response to the Concept Release. As noted in that letter, we believe the existing disclosure framework under Regulation S-K provides a strong foundation for effective disclosure; however, certain aspects are duplicative of US generally accepted accounting principles ("US GAAP") and could be revised to give companies more flexibility to tailor disclosures in a way most meaningful to investors. As such, we are supportive of a more principles-based approach to disclosure that allows companies to provide industry or company-specific information with less boilerplate disclosures resulting from more prescriptive requirements. In adopting a more principles-based approach, we encourage the Commission to continue to provide context and guidance as to the objective of disclosure requirements, rather than prescriptive rules.

Comments on the Proposed Rule

Management's Discussion and Analysis - We support the proposal to revise Item 303 to require only a year-to-year discussion of the most recent two years and would also support a requirement to discuss material trends over a three-year period. That said, we are not supportive of a requirement to include a year-to-year discussion of the earliest year if material to an understanding of the registrant's financial condition, changes in financial condition, and/or results of operations because that information is readily available in the prior year annual report and would be duplicative of publicly available information.

Hyperlinks and Cross-Referencing - We support the proposal to require the use of hyperlinks to documents incorporated by reference to other SEC filings available on EDGAR. We believe the use of incorporation by reference is an effective tool to reduce duplicative disclosure, and this requirement would facilitate a more efficient analysis of financial information.

Manner of Delivery - Tagging Cover Page Data - As an SEC registrant, we are required to tag our financial statements using XBRL. While this is a complex process, we understand how it facilitates a more granular and timely analysis of financial information, and are therefore supportive of the expanded XBRL requirements noted in the Proposed Rule (i.e., requiring XBRL tagging of cover page data on Forms 10-K, 10-Q, and 8-K). However, as noted in our September 27, 2016 comment letter, we are not supportive of expanding XBRL requirements to earnings releases, MD&A, and/or proxy statements because we believe the significant costs required of preparers to perform the initial set-up, training of non-accounting personnel, and ongoing maintenance of XBRL tags would outweigh the benefits of such efforts.

Schedules and Attachments to Exhibits - We support the proposal to permit companies to omit schedules and attachments to exhibits unless they contain information that is material and not otherwise disclosed in the exhibit or disclosure document as it should reduce redundant disclosures. Materiality should be the primary factor used to determine whether disclosures are necessary and if the total mix of information sufficiently informs investors.

Description of Property - We support the proposal to revise Item 102 to clarify that a description of property is required only to the extent that physical properties are material to the registrant's business. We also support the proposal to harmonize non-industry specific disclosure thresholds by replacing them with a materiality threshold.

Redaction of Confidential and Personally Identifiable Information - We support the proposal to allow registrants to omit confidential information from exhibits, where such information is both not material and competitively harmful if publicly disclosed, without submitting a confidential treatment request. We also support the proposal to codify the current staff practice of permitting registrants to omit personally identifiable information without making a formal confidential treatment request.

Recommendations for Further Enhancements to Disclosure Requirements in Regulation S-K

In addition to our above comments on the Proposed Rule, we encourage the Commission to continue its significant efforts intended to improve financial statement disclosures and eliminate redundancies. In support of that effort, we would like to reiterate certain recommendations made in our September 27, 2016 letter that were not specifically addressed in the Proposed Rule.

Critical Accounting Estimates – Public company disclosures of critical accounting estimates in MD&A are often repetitive with similar disclosures in the significant accounting policies footnote. We encourage the SEC and the Financial Accounting Standards Board (the "FASB") to work together and revise the disclosure requirements to eliminate the overlap that currently exists and provide a more streamlined set of disclosures for financial statement users.

Selected Financial Data and Supplementary Financial Information - We believe the requirements in Item 301 to disclose selected financial data for the last five fiscal years and Item 302 to disclose quarterly data should be eliminated. Most items required by Items 301 and 302, including data for the earliest two years in the five year table, are readily accessible through quarterly and annual filings on EDGAR and company websites.

Product/Service Disclosures - Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, is effective for fiscal years beginning after December 15, 2017 and includes expanded revenue disclosures. These new disclosures include disaggregation of revenue into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Categories to be considered for disclosure include type of goods or services, as applicable, by segment. In light of this new guidance, we encourage the Commission and the FASB to consider whether the specific disclosure requirements related to product and service sales that appear elsewhere in US GAAP and Regulation S-K should be reduced or eliminated.

Please contact me if you have any questions or if you would like to discuss these comments.

Respectfully,

A handwritten signature in black ink that reads "Michael Hardesty". The signature is written in a cursive, flowing style.

Michael Hardesty
Corporate Vice President, Controller and Chief Accounting Officer