

GENERAL DYNAMICS

Kimberly A. Kuryea
Vice President and Controller

May 27, 2015

Ms. Susan M. Cospers, Technical Director
File Reference No. 2015-240
Financial Accounting Standards Board (FASB)
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Subject: Proposed Effective Date Deferral for Topic 606, Revenue from Contracts with Customers

Dear Ms. Cospers:

General Dynamics wishes to thank the FASB for its outreach efforts and consideration of the various concerns expressed by stakeholders associated with the implementation of Topic 606. Since the issuance of Accounting Standards Update 2014-09, we have been working diligently on an implementation plan to meet the current effective date of January 1, 2017. As stated in our letter dated January 9, 2015, we appreciate that there are circumstances where certain companies or industries may need more time and would benefit from a deferral of the effective date. However, we believe other companies who have committed themselves financially and strategically to the originally established effective date should not be disqualified from transitioning on that date. Our responses to certain of your specific questions follow. Our responses assume that Topic 606, including any proposed Accounting Standards Updates issued in 2015, is finalized by the end of 2015 to permit adequate time for interpretation and implementation of the standard.

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.

Response: Although we continue to put processes in place to support an implementation on the original effective date, we support a one-year deferral for companies that need more time to ensure the integrity of financial information, particularly if a deferral allows a company to adopt retrospectively, thereby improving the comparability of their financial statements.

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.

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Response: We have no comment as it is not applicable to our business.

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.

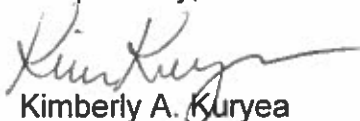
Response: Generally, we would expect the one-year deferral to provide public business entities the additional time necessary to put processes into place that would allow them to capture information beginning in 2016 for purposes of retrospective application. However, if the Board's outreach determines that a one-year deferral would prevent a meaningful number of companies from implementing the guidance retrospectively, we would support a two-year deferral, as long as the early application option on the original effective date is still permitted.

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.

Response: Yes, we are supportive of earlier application as of the original effective date. As explained in our previous letter dated January 9, 2015, there are significant internal efforts and consulting costs incurred for IT and non-IT-related implementation activities. These costs will naturally grow if the implementation period is extended. In addition, protracted change management activities can impact focus on the project or cause confusion. Therefore, we believe companies that are prepared should be permitted to implement on the original effective date. We believe the impact on comparability during a relatively short transition period is manageable and not significant.

We appreciate the opportunity to present our views on this subject and thank you for your consideration of our comments. If you should have any questions, please feel free to contact me at 703-876-3360.

Respectfully,



Kimberly A. Kuryea
Vice President and Controller (Principal Accounting Officer)

General Dynamics, with over \$30 billion of annual revenues, is an aerospace and defense company that offers a broad portfolio of products and services in business aviation, combat vehicles, weapons systems and munitions, shipbuilding, and communication and information technology systems and solutions.