



May 27, 2015

Sent via e-mail: [director@fasb.org](mailto:director@fasb.org)

Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Re: File Reference No. 2015-240

AT&T, Inc. ("AT&T") is pleased to respond to the Financial Accounting Standards Board's exposure draft on the deferral of the effective date of the guidance in Update 2014-09 on Revenue from Contracts with Customers. The proposed standard is of interest to us as a leading provider of wireless and wireline telecommunications services operating in the United States and around the world.

We appreciate the Board's responsiveness to stakeholders' requests to reconsider the effective date of the new revenue guidance. We support a deferral in the effective date and believe it will benefit both preparers and users of financial statements. However, as noted in our responses to the exposure draft questions found below, we believe that a one year deferral may not be adequate for companies contemplating the full restrospective approach to implementation.

**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:** AT&T strongly agrees with a deferral of the effective date of at least one year. We initially expressed concerns regarding the effective date of the standard in our June 2014 letter and we appreciate the Board's responsiveness to ours and other stakeholders' requests to reconsider that date. We continue to believe that preparers and users of financial statements will only benefit from additional time to implement. We also believe a delay will increase the likelihood of preparers being able to implement the standard on a retrospective basis which is preferred by users. Software vendors are now telling us that new recognition and reporting solutions will not be available until sometime in 2016. Therefore, in order to provide an appropriate amount of time to implement the new standard and the pending revisions, we believe a two year delay should be considered.

**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.

**Response:** AT&T believes it would be reasonable to allow an additional year for all other entities, consistent with the original proposal.

**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:** As noted in our response to question 1, AT&T believes a two-year deferral for **all** entities would be preferable. AT&T believes the idea of an optional two-year deferral for entities applying the guidance retrospectively is not practical. Such an option would require a company to commit to retrospective application the year before it would actually begin reporting under the new standard. We believe it is unreasonable to expect a company to make such a non-reversible decision at that point in time. Instead, rather than taking advantage of such an option we believe most companies would implement using the cumulative effect method of adoption.

**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:** AT&T would not object to allowing earlier application of the guidance.

We appreciate the opportunity to comment on the proposed changes. If you have any questions concerning our comments, please contact Bill Schneider (214) 757-3215.

Respectfully,

A handwritten signature in cursive script, appearing to read "Paul W. Stephens".

Paul W. Stephens  
Senior Vice-President & Controller