

Question 3: Should the proposed guidance be applied on a modified retrospective basis? Are the transition disclosures appropriate?

Answer: We believe the proposed guidance should be applied on a modified retrospective basis. The transition disclosures are appropriate - they will include the nature of the change in accounting principle and quantitative information regarding the effects of such change which will be helpful to a reader of the financial statements.

Question 4: Should the amendments in this proposed Update be effective for:
a. Public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2016
b. All other entities for annual periods beginning after December 15, 2017, and interim periods in annual periods beginning after December 15, 2018, with early adoption permitted, but not before the effective date for public business entities?

Answer: We agree with the proposed effective date for public companies but would suggest the Board provide an option to early adopt.

Question 5: What would be the expected transition costs of adopting the guidance in the proposed Update? What would be the expected recurring costs of applying the proposed guidance compared with the costs of applying current GAAP?

Answer: We do not expect the transition cost of adopting the guidance in the proposed ASU to be material, because of the size and geography of a potential onetime adjustment. As mentioned above, the resource cost associated with tracking of remaining balances would be eliminated under the proposed amendment.

Again, we thank you for the opportunity to provide comments. Please contact me at 212-276-7824 or Eric McGuinn at 917-260-0428 if you have any questions.

Sincerely,



G. David Bonnar
Managing Director
Global Advisory and Policy