DELTA

Delta Air Lines, Inc.
1030 Delta Boulevard
Atlanta, GA 30320-6001

December 8, 2015

Technical Director
File Reference No. 2015-310
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Technical Director:

Delta Air Lines, Inc., ("we" or "our") is a global provider of scheduled air transportation with annual revenues exceeding $40 billion. We appreciate the opportunity to respond to the FASB Exposure Draft regarding the proposed Accounting Standards Update (ASU), *Notes to Financial Statements (Topic 235): Assessing Whether Disclosures Are Material*. We believe the Board's initiative is a worthy effort to more easily define what should be included in the financial statements while also improving the usefulness of information provided to users of financial statements.

Question 1: Would assessing materiality subject to the proposed changes to paragraphs 235-10-50-7 through 50-8 be any easier than under current GAAP? If yes, please explain why.

Response:

Yes, we believe assessing materiality subject to the proposed changes to the referenced paragraphs would be easier than under current GAAP. This would provide more clarity as to the overall concept of materiality by defining it as a legal concept. However, we would suggest that paragraph 235-10-50-8 be modified to include more discussion of the phrase "legal concept." Although the Board decided to omit reference to the Supreme Court's definition, the legal concept could be changed through legislative, executive or judicial action. We believe the current wording does not provide the preparer of the financial statements with enough context to define materiality. We would suggest incorporating the discussion from BC14-15 as follows:

> 235-10-50-8 Materiality is a legal concept. A legal concept may be established or changed through legislative, executive or judicial action. For example, a disclosure is deemed by the U.S. Supreme Court to be material if there is a substantial likelihood that the omitted or misstated disclosure would have been viewed by a reasonable resource provider as having significantly altered the total mix of information available in making a decision.

Question 2: Would applying the amendments in this proposed Update significantly increase or reduce costs of preparing the notes to financial statements? Why or why not?

Response:

We do not believe that the amendments in this proposed Update would significantly change the costs of preparing the notes to the financial statements.

Question 3: Would the amendments in this proposed Update change the information you otherwise would include in the notes to financial statements? Why or why not? If yes, how would that increase, diminish, or otherwise change the notes' usefulness to investors, creditors, and other financial statement users?

Response:

No, we do not believe the amendments in this proposed Update would change the information we include in the notes to the financial statements. However, we support the proposed changes as they would allow us to better distinguish between items that are immaterial for our business but appear to be required by the current accounting standards. This would increase the notes' usefulness to investors, creditors and other financial statement users by making the notes more concise.

Question 4: Do you expect regulatory, legal, or audit consequences that would affect your ability to consider materiality when selecting information to be disclosed in notes to financial statements? Please explain.

Response:

We agree with the Board's concern expressed in BC12 that auditor communications of disclosure omissions as errors to the audit committee are an obstacle to considering disclosure materiality. However, we believe the proposed amendment to paragraph 235-10-50-9 and the proposal to eliminate references to "an entity shall at a minimum provide" throughout the Codification would effectively mitigate those concerns. We believe the proposed amendments would help educate users of the financial statements, including regulators, of the materiality considerations utilized by financial statement preparers.

Question 5: How would you disclose information in comparative financial statements if your assessments of materiality differed in different years?

Response:

If our assessments of materiality differed in different years, we would generally report the immaterial amounts until such time as the material amount is no longer presented in comparative financial statements. The decision to include immaterial amounts in prior years would be dependent upon the significance of the prior year information and the relevance for comparability to the current year.

Question 6: Should the Board eliminate from the Accounting Standards Codification phrases like "an entity shall at a minimum provide" and other wording that could appear to limit an entity's discretion to omit immaterial disclosures? Are there particular Topics or Sections in which those changes should not be made? Are there additional paragraphs within the Accounting Standards Codification in which the wording is particularly restrictive and is not identified in Appendix B of this proposed Update? If so, please identify them.

Response:

We believe the Board should eliminate language such as "an entity shall at a minimum provide" because it causes more information than necessary to be disclosed in the notes to the financial statements, distracts users of the financial statements and prevents financial statement preparers from being able to evaluate the information that would be most relevant and useful to users (i.e., material) because of specific requirements on the information to include. We are not aware of any Topics or Sections where this wording should be retained.

In addition to the Subtopics with restrictive language listed in Appendix B, we identified the following additional Subtopics with restrictive language:

- 230-10-45-25 and 45-29, Statement of Cash Flows – Overall – Other Presentation Matters
- 350-30-45-1, Intangibles – Goodwill and Other – General Intangibles Other Than Goodwill – Other Presentation Matters
- 960-30-45-2, Plan Accounting – Defined Benefit Pension Plans – Net Assets Available for Plan Benefits – Other Presentation Matters
- 962-205-45-7, Plan Accounting – Defined Contribution Pension Plans – Presentation of Financial Assets – Other Presentation Matters

Although it is outside the scope of this proposal, there are also several instances where SEC materials include "at a minimum" references, which are incorporated into the Codification in S99 Subtopics. In order to ensure consistent application of the materiality principles discussed herein, we believe the SEC should also remove references to minimum required disclosures.

Question 7: Do you agree with the proposed amendment that would explicitly state that the omission of an immaterial required disclosure is not an accounting error? Why or why not?

Response:

Yes, we agree with the proposed amendment that would explicitly state the omission of an immaterial required disclosure is not an accounting error. The inclusion of these items in auditor communications to the audit committee causes increased effort on the part of the auditors and management to identify, document and communicate these items without adding any value to the process. The communication of these items can also undermine the credibility of auditors as audit committees may interpret the inclusion of immaterial items as an indication that the auditor has failed to apply materiality thresholds in their testing procedures.

Question 9: Should the proposed amendments be effective upon issuance?

Response:

Yes, we believe the amendments should be effective upon issuance. They will be immediately beneficial to financial statement preparers and users and will not require significant changes to systems or processes in order to implement the amendments.

Sincerely,

Craig M. Meynard
Vice President and Chief Accounting Officer

Jarrod J. Dominick
Director – Technical Accounting and External Reporting