



World Headquarters
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April 25, 2016

Ford Motor Company

VIA EMAIL: director@FASB.org

File Reference 2016-200: Comments on Exposure Draft, Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost

Ford Motor Company ("Ford"), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. We file consolidated financial statements with the Securities and Exchange Commission and for year-end 2015, we will report under IFRS in twenty-three countries. We appreciate the opportunity to comment on the Exposure Draft proposing to amend the presentation of net periodic cost.

We fully support the proposal to capitalize only the service cost component of net periodic cost. The other components of net periodic cost result from economic estimates and influences which are unrelated to operating activities and decisions and, as a result, provide less predictive value to the users of our financial statements. When these components are included in the capitalization of operating assets, the cost of using the assets often creates volatility in operating results that is counterintuitive. We support early adoption and prospective application of the change, agreeing that retrospective application would be costly and complex.

We also support disaggregating service cost from other components of net periodic cost in the income statement. We agree service cost is distinctly different in its predictive value from other components of net periodic cost however we urge the FASB to allow a prospective, rather than retrospective, application of the income statement disclosure. To ensure that our historical accounting records are aligned with anything published, a restatement of previously reported information creates the need to update data for each accounting period in our financial reporting system. As a result, we believe the costs, including the time involved, outweigh the benefits of retrospective reporting on the income statement -- the information is already available in the notes to the financial statements. Alternatively, we ask you to consider allowing an entity to immediately adopt the proposed service cost capitalization and delay the adoption of the income statement disclosure.

We do not support a requirement to present separately each component of net periodic cost on the face of the income statement; however we support the proposal as an option to improve convergence with IFRS.

We encourage the FASB to consider two additional items. First, we ask the Board to align the disclosure requirement of net benefit cost recognized in ASC 715-20-50-1(h) and the definition of net periodic pension/postretirement benefit cost to either include or exclude the reference to expected return and actual return and the reference to gain or loss due to settlements or curtailments (and update the XBRL tag accordingly). Second, we urge the Board to allow prior service cost/credit to be recognized immediately. As always, we encourage the FASB to continue to work with the IASB to align other accounting for defined benefit and other postretirement benefit plans (e.g., asset ceiling and reporting of net interest cost). We appreciate the Board's consideration of our views.

Sincerely,

A handwritten signature in blue ink that reads "Susan Callahan".

Susan M. Callahan
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