

## VIA ELECTRONIC MAIL

January 22, 2018

Technical Director  
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(sent via e-mail to [director@fasb.org](mailto:director@fasb.org))

### **File Reference No. 2018-200**

### **Re: Proposed Accounting Standards Update – *Leases (Topic 842): Targeted Improvements***

We appreciate the opportunity to respond to the Financial Accounting Standards Board (the “Board”) regarding the Proposed Accounting Standards Update – *Leases (Topic 842): Targeted Improvements* (the “proposed ASU”).

Enterprise Holdings, Inc. (“Enterprise”) is the world’s largest car rental company, operating the Enterprise Rent-A-Car, National Car Rental and Alamo Rent-A-Car brands. Enterprise is a privately held company with over 6,300 Company-operated locations in the United States and Puerto Rico and more than 1,500 Company-operated locations throughout Canada, the United Kingdom, Germany, Ireland, France and Spain. For the majority of our locations, we lease the building and property under operating lease arrangements.

In general, we strongly support the proposed optional transition method as well as the proposed practical expedient for lessors to account for lease and non-lease components as a single lease component. We believe that these amendments, if codified, will meet the Board’s stated goal of reducing the costs associated with the implementation of ASC 842 without sacrificing the quality of information provided to investors and stakeholders. Our responses below pertain to the proposed optional transition method.

**Question 1: Would the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption reduce the costs and complexity associated with implementing Topic 842? If not, please explain why.**

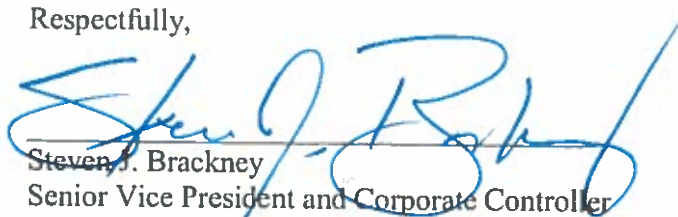
Yes, we believe the proposal will significantly reduce the cost and complexity associated with implementation of Topic 842. The optional transition method will provide relief from the administrative burden related to retrospective reporting as well as reduce costs related to data gathering, validation and evaluation of lease contracts which are set to expire prior to the implementation date. The optional transition method will also provide companies additional time to implement the necessary systems, processes and internal controls necessary to successfully implement the new standard and focus data validation efforts on the population of leases active as of the implementation date.

**Question 2: Is the proposed transition method, as written in this proposed update, operable? If not, please explain why.**

Yes, we believe the proposed transition method to be operable. The financial statement impact of applying Topic 842 is primarily limited to the balance sheet gross-up of right-of-use assets and lease liabilities. The Company does not anticipate a material impact to the income statement. Furthermore, we believe the existing requirements in ASC 840 provide financial statement users adequate information to quantify future cash flows related to leases for the periods prior to adoption.

We appreciate the opportunity to respond and thank you for your consideration.

Respectfully,



Steven J. Brackney  
Senior Vice President and Corporate Controller