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February 2, 2018

Russell G. Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Delivered Electronically

Re: File Reference 2018-200, Proposed Accounting Standards Update, *Leases (Topic 842) – Targeted Improvements*

Dear Chairman Golden:

Equinix, Inc. ("Equinix" or the "Company") appreciates the opportunity to comment on the Financial Accounting Standards Board (FASB) *Proposed Accounting Standards Update* 2016-02 Leases (Topic 842) Targeted Improvements. Equinix, Inc. connects more than 9,500 companies directly to their customers and partners inside the world's most interconnected data centers.

We commend the Board for issuing the proposed Targeted Improvements and agree that the optional transition method and proposed expedients will reduce costs and complexity associated with transitioning to and implementing Topic 842. We have one comment and proposed amendment to the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption, which we address in the questions from the Proposed Accounting Standards Update.

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.

We believe the proposed optional transition method will reduce costs and complexity associated with implementing Topic 842; however, the new method poses additional financial statement risks in regards to timing of measurement of the right-of-use asset and corresponding lease liability for operating leases. If a company elects to use the proposed optional transition method, the discount rate will be established on the date of adoption of the new standard in accordance with the proposed language in 842-10-65-1(l).

The discount rate used for adoption is defined in the Proposed Accounting Standards Update in 842-10-65-1(l) as: "*a lessee shall measure the lease liability at the present value of the sum of the following, using a discount rate for the lease (which, for entities that are not public business entities, can be a risk-free rate determined in accordance with paragraph 842-20-30-3) established at the application date as determined in (c).*" 842-10-65-1(c) refers to the choice of application date of (1) earliest period presented in the financial statements and (2) at the beginning period of adoption. If a company elects the proposed optional transition method in 842-10-65-

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1(c), the discount rate used would be the company's discount rates as of 1/1/2019 (for a calendar year filer that does not early adopt the standard).

While acknowledging that consideration can be given to the materiality of the potential impact from the use of an estimated discount rate at an earlier date, companies will have a limited time from the date of adoption to initial reporting to apply the appropriate discount rate to all operating leases for which this expedient is applied.

We propose to change the language 842-10-65-1(l) to allow lessees to measure operating leases using the discount rate at either (i) the beginning of the lease (similar to the transition methodology for capital leases as described in 842-10-65-1(r)) or (ii) the date of adoption. This will provide relief in allowing companies adequate time to calculate right-of-use assets and lease liabilities for operating leases during the transition pre-implementation phase by allowing for the use of actual historical discount rates.

We believe this additional option for discount rate calculation would be a similar accounting approach to the transition method for capital leases. This would not be mis-leading to readers of the financial statements as the lease assets and liabilities are discounted based on the financial condition of the company at the time of entering into the lease agreements. We believe this election should be disclosed in the financial statements.

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

Yes, we believe the transition method, as written, is operable, with the exception of the above discussion.

We appreciate the proposed ASU and that the Board is proposing to help reduce the costs and burden for companies to implement the new leasing standard. Thank you for the opportunity to comment on the exposure draft.

Sincerely,

/s/ David Wilson
VP, Global Finance Operations

/s/ Victor Levashoff
Senior Director, SEC Controller

/s/ Jeanmarie Shah
Dir., Technical Acctng