



STEPHEN E. SANDHERR, Chief Executive Officer

May 3, 2019

Russell Golden
Chairman, Financial Accounting Standards Board
301 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Chairman Golden,

On behalf of the Associated General Contractors of America (AGC), I respectfully submit the following request to the Financial Accounting Standards Board (FASB) on the Leases standard. We appreciate the efforts of the Board and its staff in preparing the update and for the opportunity to comment.

AGC is the leading association for the construction industry in the United States representing more than 26,000 firms, including over 6,500 leading general contractors, and over 9,000 specialty-contracting firms, as well as over 10,500 service providers and suppliers through a nationwide network of chapters. AGC contractors are engaged in the construction of the nation's commercial buildings and industrial facilities, highway and public transportation infrastructure, water and wastewater systems, flood control and navigation structures, defense installations, multi-family housing, and more.

AGC is predominately made up of privately held companies, thus the Revenue Recognition standard is effective January 1, 2019 for calendar year private companies, while the Leases standard is effective one year later, on January 1, 2020. On behalf of its thousands of private company members, AGC requests FASB consider delaying the implementation of the Leases standard for one year to January 1, 2021.

AGC wants exactly what FASB wants: good accounting. Delaying implementation of this standard will allow public companies to work out the nuances of this standard with both the Securities and Exchange Commission (SEC) and FASB. As all-encompassing as the Revenue Recognition standard is, the Leases standard will have an exponentially greater impact on many private companies and a one-year delay will allow both the preparers of the statements and their auditors more time to accurately implement this standard.

There is no doubt that FASB has done an excellent job providing educational resources for these new standards. But, the reality of private company life is that most do not have a CPA on staff and the additional time will allow their auditors to better educate the financial person within these companies- all in pursuit of better accounting. In closing, AGC would like to thank FASB for its extensive outreach to private companies over the last decade through the Small Business Advisory Committee (SBAC) and now the Private Company Council (PCC). These groups have allowed private company voices to be heard by the Board which has created a better sense of cooperation.

We would be happy to discuss this issue further with you and thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen E. Sandherr', is written over a light blue horizontal line.

Stephen E. Sandherr
Chief Executive Officer