



**AGC**  
THE CONSTRUCTION  
ASSOCIATION

STEPHEN E. SANDHERR, Chief Executive Officer

AR-2020  
Comment Letter No. 14

April 1, 2020

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

**RE: Delay of Implementation of Leases Standard for Private Companies**

Dear Chairman Golden:

In May of 2019, AGC of America, along with several other entities, sent letters requesting that the Financial Accounting Standards Board (FASB) consider delaying the implementation of the Leases standard for private companies. FASB reviewed the various requests and ultimately decided to delay the effective date of this standard for private companies until calendar year 2022. This delay would give private companies and their auditors time to review the problems public companies struggled with, as well as to settle some minor uncertainties in the new standard, such as embedded leases. FASB had intended to hold a roundtable on the Leases standard in April, 2020 to address these concerns, but like most gatherings in the United States and internationally, the meeting was cancelled due to concerns about the novel coronavirus (COVID-19).

On behalf of its more than 27,000 firms, including America's leading general contractors, specialty contractors, service providers, and suppliers, AGC requests that FASB consider an additional year delay on the implementation of this standard. This is truly a matter of survival for many thousands of companies across the country as they wrestle with lease modifications, bank covenant modifications, surety credit issues, employee layoffs, and critical cash flow issues as a result of the COVID-19 pandemic. As you know, 3.2 million Americans signed up for unemployment last week and it is expected that many additional layoffs will follow. Companies will be focused on trying to recover from the economic shock of this crisis for several months, if not years.

These are extraordinary times and another one-year delay will give businesses more time to focus on their more immediate and pressing concerns as mentioned above. AGC would like to thank FASB for its extensive outreach and responsiveness to the unique needs of the thousands of private companies it represents and the many more thousands of companies in other industries. This is a critical time for the global economy and AGC is appreciative any consideration FASB will give this request.

Sincerely,

Stephen E. Sandherr