

October 20, 2010

Financial Accounts Standards Board 407 Merritt 7 PO Box 5116 Norwalk, Connecticut 06856-5116

Attn: Technical Director - File Reference No. 1820-100

Via email: director@fasb.org

Re: Exposure Draft: Revenue Recognition (Topic 605) Revenue from Contract with Customers

C.C. Myers, Inc. would like to provide our comments to the Financial Accounting Standards Board on the proposed accounting standard update.

C.C. Myers, Inc. is a medium-sized construction company who has been in the business for over 33 years and applies the revenue recognition model prescribed in the American Institute of Certified Public Accountants' (AICPA) Statement of Position (SOP) 81-1 (currently known as ASC 605-35). As the Chief Financial Officer of this company, I can assure you that we would be significantly impacted by the changes of the exposure draft suggested. Worse, no financial or intrinsic value would be gained by our company, our lenders, surety providers, clients or potential investors. Instead, the impacts would create a lack of clarity in understanding whether or not a project is profitable or estimated to be, as well as creating opportunities to skew financial results depending on the desired outcome. Neither of these results would seem to be attractive to FASB.

We have significant concerns on how the new standard may be applied to our company and our industry. The current guidance in the Exposure Draft for recognizing revenue at the "performance obligation" level presents challenges and carries the risk of adverse economic effects on our industry stemming from an inferior method of revenue recognition. This proposed update in regards to identifying and allocating revenue to performance obligations will lead to inconsistencies in the financial reporting process in the construction industry and also could potentially open the door to financial engineering and manipulation. Therefore, the performance obligation approach does not represent an improvement over existing accounting for the construction industry in any way or at any level.

Long term contracts in our business are negotiated between the contractor and customer as a single transaction with a single profit objective. A contract may contain numerous phases with some being more profitable than others. Some phases may even be unprofitable even when the contract as a whole has been designed to be reasonably profitable. In regard to this, most contracts should not be subdivided into multiple profit/loss centers or performance obligations because the risks are inseparable within the

contract which in turn may not show a true representation of the profitability of the project. Because we manage our business at the contract level and sureties provide credit on a contract by contract basis, the proposed accounting standard update would make surety credit more difficult to obtain in the future in order to offset the risks associated with inferior accounting rules and unreliable financial statements.

Additionally another concern is the added costs companies will incur which can create quite an impact on small to mid sized construction companies. Examples of these costs are software updates to conform to the segmentation and re-aggregation of contracts to balance to external financial reporting rules with internal management needs. In addition, costs will also increase for external financial reporting because of the risks associated thereto. In other words, we cannot – for management purposes – assess the profitability of a project using the proposed performance obligation approach. Therefore, at all times we will be performing two separate accounting processes and then attempting to reconcile them. Understanding the use of financial statements, it is reasonable to believe that companies won't select the most favorable outcome when convenient and available, ultimately resulting in the same type of questionable accounting that led to failures such as Enron.

While we understand that the Board might like to develop a single model of revenue recognition, is it reasonable to treat every industry the same when it is clear that many industries have unique accounting challenges and the revenue to cost method is the most accurate, least subjective for the construction industry?

If changes are inevitable, we ask that additional guidance be developed clarifying how the new standard be applied in the construction industry in a way to avoid misleading information that, over time, will negatively impact every company in our market sector. Specifically, our industry is hoping to preserve many of the tenets of SOP 81-1, which we believe, can be appropriately carried over.

Finally, we ask that private companies be given at least one or more additional years to comply with the proposed standard if in fact it does become effective for public companies because they will be forced to figure out how to stay competitive in an already highly competitive, high risk industry which continues to be the backbone of America's economy.

Kindest regards,

Linda //Clifford, CFO

C.C. Myers, Inc.