October 21, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 1820-100

Ladies and Gentlemen of the Board:

SanDisk Corporation appreciates the opportunity to provide our views on the Proposed FASB Exposure Draft, “Revenue Recognition: Revenue from Contracts with Customers”, (FASB file No. 1820-100, the “Proposed Standard”). We will first provide general comments on the Financial Accounting Standard Board’s (the Board) proposed changes to the revenue recognition principles, then, we will provide comments on the specific questions posted in the Proposed Standard in an Appendix to this letter.

SanDisk, a global technology company, is the inventor and largest supplier of NAND flash storage card products. Our products are used in a variety of large markets, and we distribute our products globally through retail and original equipment manufacturer channels. We are an S&P 500 company (NASDAQ: SNDA), with more than half our product sales outside the United States. In fiscal year 2009, we had total revenues of $3.6 billion, and our revenue for fiscal year 2010 (ending January 2, 2011) is expected to be approximately $4.8 billion.

The revenue we generate through our retail and distributor (hereinafter collectively referred to as “retail”) channel comprises 40% to 50% of our total revenue, and our license and royalty revenue comprises around 10% of our total revenue. Our key focus is to accurately account for and objectively report our retail channel revenue and license & royalty revenue in order to provide high quality financial statements to our investors and other users of our financial statements.

Our key concern related to the Exposure Draft is the underlying concept of probability-weighted estimation and the significant interpretation and judgment required by management and, in turn, our auditors, under the Proposed Standard. The Proposed Standard requires management to use significant judgment which will affect comparability between similar entities. We believe that as a result, companies may recognize revenue from similar transactions at different times if they reach different conclusions as to when variable consideration can be reasonably estimated. In addition, the transaction price is also determined based on management’s interpretation of customer actions and future events and long-term development perspective for the industry. Overall, we believe a
principles-based standard can be achieved without the need to require substantial future variable pricing and volume estimates that significantly impact the amount, timing and quality of revenue recognition.

From an operational standpoint, we believe that the use of a probability-weighted estimate instead of a “best” estimate will increase the cost and effort in the estimation process, result in potential unrealistic binary outcomes and generate increased volatility. Systems and methods for probability-weighted estimates are not generally addressed in the educational process, limited computer systems exist to incorporate this concept, and big ERP systems do not generally have this capability. Without existing system capabilities, the main generation of probability-weighted estimates will be through manual spreadsheets that carry significant inherent risks. It is our view that the Proposed Standard should allow for the use of either a “best” estimate or probability-weighted estimate method to be used depending on facts and circumstances.

We are not certain that the users of our financial statements, such as investors or analysts, will see the benefit of the increased complexity and costs related to providing a revenue recognition model that is more subjective, possibly less accurate, and more volatile.

Below are our comments on the issues of most concern to us posed in the Proposed Standard.

Measurement of Revenue – Variable Consideration, Sell-Through vs. Sell-In
As a high-technology company with direct sales to large retailers and global distributors, we use a variety of programs with our retailers such as stock rotation, price protection, discretionary incentives, variable incentive rebates, market development funds and co-op advertising.

We currently utilize the “sell-through method” of revenue recognition for our retail channel sales whereby we defer the revenue to our retail customers upon shipment until the retailers sell through the products to their customer, at which point the net price becomes fixed or determinable and revenue is recognized. Since we offer retail programs that reduce the list price of our product, under the Proposed Standard, the value of the retail programs would then be estimated at the time of shipment using a probability-weighted approach when the variable consideration can be reasonably estimated. As such, our interpretation, and that of our auditors, is that revenue would be recognized for similar transactions under a sell-in method, meaning revenue would be recognized upon shipment when control transfers, assuming all other conditions are met.

Due to the highly competitive nature of the technology industry, it is common practice to launch multiple retail programs or decrease prices in order to drive end customer demand. The combination of programs such as price protection, discretionary incentives and variable incentive rebates makes it inherently difficult to estimate the transaction price, since the scope and magnitude of the promotion programs are driven in part by unforeseeable external market factors and competition. With this inherent difficulty in estimating the transaction price, we believe that in our industry, even with the best intention and most careful analysis of historical data and planning of future promotions, the probability-weighted estimate will vary, sometimes significantly, from the actual revenue ultimately earned by us, thus creating more volatility in revenue reporting. To address these issues, our industry has moved in large part to the sell-through method of revenue recognition to reflect revenue when the terms of the transaction have been finalized, including the sales price.

We believe, and have confirmed with our investors and third-party analysts, that the financial markets prefer the sell-through method of revenue recognition for two primary reasons. First, given that revenue is recognized when the price is fixed or determinable, current revenue is more representative of transactions during the period and not be subject to significant prior period estimate
adjustments. Second, and probably more importantly, our revenue represents sell-through activity, which is more closely related to actual demand for our product. Investors are concerned about inventory levels in the retail channel and the potential for “channel stuffing.” The sell-through method eliminates this type of risk, which is inherent in the sell-in method.

In summary, we believe the proposed guidance in paragraphs 38 and 39 will cause inconsistencies in revenue recognition practice. Estimation is an important part of financial statements and the revenue recognition process; however, we believe it is more reliable and objective to recognize contingent revenue when the variable consideration becomes substantially “fixed or determinable” and subject to minimal variability. We also feel that the significant subjectivity with regards to the probability-weighted estimates of our retail programs will present operational difficulties for our auditors in performing their audit.

Licensing and rights to use
In fiscal year 2009, our license and royalty revenue was $412 million, and over the last three fiscal years, our cumulative license and royalty revenue was approximately $1.37 billion. Pursuing and maintaining our license and royalty revenue is a key strategic focus for us.

We believe the proposed guidance on the distinction of exclusive versus nonexclusive for time-based licenses and the different treatment of revenue recognition is problematic for patent and technology licensing companies. Specifically, the treatment of long-term non-exclusive licenses as an upfront sale may not reflect the economics of the transaction.

In our industry, the license holder or licensor typically grants the right to peaceful use of both the existing technology and any technology developed over the license term ranging from four to seven years to the licensee. In exchange, the licensee will pay both a fixed fee over the license period and may additionally pay per unit royalties on a when-and-if incurred basis. In most cases, the payment from the licensee is ratable over the term of the agreement, which reflects the nature of continuous delivery of performance obligation on the licensor’s part.

For these types of time-based license agreements, it does not matter if the license is exclusive or non-exclusive, the licensor grants the licensee the right to pursue any type of development, research or product creation, typically without restrictions over the term of the agreement. Drawing parallels between tangible and intangible assets to determine if the revenue recognition should be upfront or over time does not seem appropriate, especially due to the service nature of license agreements. Intangible assets by their very nature can be transferred multiple times in direct contrast to tangible assets. Restricted use is just one measure of control and may not be appropriate in all circumstances. Irrespective of the license being exclusive or non-exclusive, the performance obligation for the licensor is delivered over time and thus, we believe the revenue should be recognized over the license term.

Providing the licensee access to new technology over the agreement should be considered a performance obligation that is satisfied continuously. As the licensee receives both existing and future technology over the term of the agreement, the obligation should be considered as one deliverable that is provided continuously. In addition, our industry is characterized by significant litigation seeking to enforce patent and other intellectual property rights. Therefore, we feel that there exists a performance obligation to defend licensed patents and technology that is performed over the period of the license. The Board should consider additional criteria beyond restricted use for recognizing licensing fees over the term including (1) payment terms that are over the license period, (2) requirements that the licensor provide either services or access to when and if available
technology over the term of the agreement and (3) the obligation of licensors to legally defend their issued licenses.

The Proposed Standard would require variable future royalties to be recognized in advance of being reported by the licensee if reasonably estimable under the guidance in paragraph s38 and 39. We feel there will be considerable pressure and expectation that a mature market-leading company would be able to meet the “reasonably estimated” threshold. While paragraph 39 of the Proposed Standard addresses certain factors that may reduce the relevance of an entity’s experience, we feel that other factors provide a stronger basis for precluding a reasonable estimate. For example, not only is estimation dependent upon how much the customer will sell over a four to seven year contract, it could also be dependent upon what technology that customer will employ, when the customer will employ the technology, the average selling price used, and finally the collectability of royalty payments, up to four to seven years in the future. All of these issues highlight the dependence of our estimates on assumptions about future customer actions. As a result, we believe variable future royalties should not be recognized in advance but rather when the royalty amount becomes “fixed or determinable” which generally is when the licensee reports to the licensor.

In summary, we believe the new guidance on time-based non-exclusive license agreements, specifically related to both the fixed license and variable royalty payments, may not reflect the underlying economics of long-term technology license agreements, and may not be consistent with the concept of control in the Proposed Standard. In addition, this specific guidance may generate substantially more variability and less understandability for users of financial statements.

Product Warranties
Under the guidance of the Proposed Standard, reporting entities need to draw a distinction between a quality assurance warranty, which covers latent defects, and an insurance warranty, which covers faults arising after the transfer of control.

We believe a standard quality assurance product warranty should not qualify as a revenue event except for entities actively engaged in selling extended warranty contract as a business. Most entities consider warranty as a necessary cost either to be in compliance with regulations or to provide customers assurance that the delivered product meets specifications. By offering a warranty, an entity is committed to provide goods or service without defects at no further cost to the customer or user of the product. For consumer products, the warranty becomes more of a quality statement to the user of the product that the product works and the manufacturer is willing to stand behind the product. For example, warranties for SanDisk’s memory products, such as memory cards and USB drives, are often 5 years in length, and are really an assurance that the memory product will work as advertised to store content. From time-to-time, products do fail, mostly due to imperfect production processes. Correcting imperfect production processes is generally more associated with the cost of product revenues than as a separate revenue element. We understand the logic that a warranty can be perceived as a “stand ready performance obligation,” however, we believe there can be quality assurance type warranties, even with a fairly long duration, that are much more closely associated with manufacturing activities and should be retained as a cost of product revenues and not as a deferral of revenue. Therefore, we believe recognizing standard quality assurance warranties as a cost of product revenue for the expected cost to replace or repair defective products more accurately reflects the product revenue and cost transaction.

We do agree that for long-term insurance warranties that are either sold separately or bundled implicitly or explicitly with products, a portion of the insurance warranty should continue to be treated as a separate performance obligation for revenue recognition purposes.
However, since there could be both product assurance warranties and insurance warranties, the Proposed Standard would require the tracking of both types of warranties and their related returns for purposes of revenue recognition. This has significant process and system implications that would require time and money to implement, and have little informational value to users of financial statements.

Collectibility
We believe the Board’s proposal to treat collectibility as a measurement rather than a recognition criterion and the treatment of the reassessment as income/expense other than revenue is problematic. To recognize any reassessment of the customer’s ability to pay as an impairment (or reversal of impairment) of the receivable rather than a change to the amount of revenue previously recognized, while consistent with the principles related to financial assets, splits the impact related to customer collectibility, and misrepresents the revenue-generating activity of an entity.

Financial instruments sold on active markets incorporate current conditions, as best known, into the pricing. Trade receivables generated from revenue transactions are not established under the same conditions. The seller could be considering the sale to a customer to prevent a competitor from taking market share, to introduce a new product into a new market or to address new market opportunities either by customer class, geography or end market. Companies make decisions daily as to whether to sell to a certain customer and whether that sale is collectible. Higher credit risks are usually factored into more restrictive payment terms. While a company hopes to collect all the amounts and recognize revenue, we do enter into arrangements knowing that we may not collect all contractual amounts due to various reasons, and these collection efforts are reflected in the operational activities. Under current accounting guidance, these risk decisions impact the timing of revenue recognition but not the amount of revenue recognized unless payment is not received. We think this type of approach continues to be relevant. We believe that changes in credit risk assessment being recognized subsequently as income or expense rather than revenue is problematic because it does not reflect the true nature of the risk, which directly affects cash and revenue.

Under the Proposed Standard, the amount of revenue will bear no direct relation to the amount billed or collected for the transactions with credit risk, and will have no direct relation to cost. These factors make it difficult for users of financial statements to evaluate the effectiveness of the entity’s collection effort. Classifying subsequent changes in collectibility each reporting period in income/expense also disconnects the link between cash and revenue and may further erode investors’ reliance on the income statement and put more focus on the cash flow statement. For these reasons, we believe the Board should reconsider the conclusion regarding collectibility and subsequent accounting.

We do recognize there is diversity in practice as some companies reflect bad debt expense as a reduction in revenue and some reflect bad debt expense as a general and administrative expense included in operating expenses. For conformity, to standardize the classification of bad debt expense as either a revenue reduction or general and administrative expense could be beneficial.
We thank you for providing us with the opportunity to provide our comments on the Proposed Accounting Standards Update and are available to meet with you in person or you can reach me directly at (408) 801-1856 to discuss these issues further.

Sincerely,

Donald F. Robertson, Jr.
Vice President and Corporate Controller
SanDisk Corporation

CC: Judy Bruner, Executive Vice President, Administration and Chief Financial Officer
APPENDIX

**Question 1**: Paragraphs 12-19 propose a principle (price interdependence) to help an entity determine whether to:
   a) combine two or more contracts and account for them as a single contract;
   b) segment a single contract and account for it as two or more contracts; and
   c) account for a contract modification as a separate contract or as part of the original contract.

Do you agree with that principle? If not, what principle would you recommend, and why, for determining whether (a) to combine or segment contracts and (b) to account for a contract modification as a separate contract?

Response: We believe the guidance related to the combining and segmenting of a contract in the Proposed Standard is not practical for two reasons: (1) treating modifications as a cumulative effect may not be useful nor operationally practical and (2) it may be difficult to conclude that elements within a single contract are price independent in order to segment the contract.

From a practical point of view, we do not agree that there are additional benefits for users of financial statements related to accounting for contract modifications as a cumulative effect. We believe it may be more useful and administratively more practical to implement contract modifications prospectively. For longer term contracts where a change is made near the end of the term, revisiting the original segmentation of the entire contract may not be practical or useful to users of financial statements. Modifications that would reverse revenue for delivered performance obligations may only complicate the revenue recognition process. Our proposed treatment would be that modifications be treated prospectively and not as a cumulative effect.

Under the Proposed Standard as currently stated, it would be difficult to conclude that a modification is price independent of the original contract. Example 2 of the Proposed Standard does not seem to address the principle behind segmenting a contract or give implementation guidance for this. We believe the existing software revenue recognition guidance (ASC 985-605-55-4 and TPA 5100.39) gives clearer guidance related to this and suggest that this guidance be considered in drafting the Proposed Standard.

**Question 2**: The Boards propose that an entity should identify the performance obligations to be accounted for separately on the basis of whether the promised good or service is distinct.
Paragraph 23 proposes a principle for determining when a good or service is distinct. Do you agree with that principle? If not, what principle would you specify for identifying separate performance obligations and why?

Response: No comment.

**Question 3**: Do you think that the proposed guidance in paragraph 25-31 and related implementation guidance are sufficient for determining when control of a promised good or service has been transferred to a customer? If not, why? What additional guidance would you propose and why?

Response: We do not believe the proposed guidance related to “transfer of control” is sufficient to demonstrate that a performance obligation is satisfied and thus revenue should be recognized.

The Proposed guidance on “transfer of control” focuses on the customer’s ability to direct the use of, and receive the benefit from a good or service. We agree that “transfer of control” is a necessary
condition for revenue recognition. However, in many instances, even after the “transfer of control”, there is still substantial uncertainty that can affect the timing and amount of revenue.

Also, as mentioned above, we believe drawing parallels between tangible and intangible assets to determine when control has been transferred does not seem appropriate for technology and patent licenses. Intangible assets by their very nature can be transferred multiple times in direct contrast to tangible assets. We believe additional guidance is needed to provide more clarity and relevance of the principles to service/intangible sales.

**Question 4** - The Boards propose that if the amount of consideration is variable, an entity should recognize revenue from satisfying a performance obligation only if the transaction price can be reasonably estimated. Paragraph 38 proposes criteria that an entity should meet to be able to reasonably estimate the transaction price.

*Do you agree that an entity should recognize revenue on the basis of an estimated transaction price? If so, do you agree with the proposed criteria in paragraph 38? If not, what approach do you suggest for recognizing revenue when the transaction price is variable and why?*

Response: We disagree with the Board that an entity should recognize revenue on the basis of an estimated transaction price in many situations. Please refer to our comments on Variable Consideration in the body of our comment letter.

As it relates to variable per unit royalties, we believe the inherent uncertainty with estimating the many elements of per unit royalties may generate substantially more variability and less understandability for users of financial statements. Please refer to our comments on Licensing and Rights to Use in the body of our comment letter.

**Question 5** - Paragraph 43 proposes that the transaction price should reflect the customer’s credit risk if its effects on the transaction price can be reasonably estimated. Do you agree that the customer’s credit risk should affect how much revenue an entity recognizes when it satisfies a performance obligation rather than whether the entity recognizes revenue? If not, why?

Response: No. As we discussed in detail in our letter on collectibility, we disagree with the Board that a customer’s credit risk should affect how much revenue an entity recognizes. Rather, we believe a customer’s credit risk should affect whether and when the entity recognizes revenue. Please refer to our comments on collectibility in the body of our comment letter.

**Question 6** - Paragraph 44 and 45 proposes that an entity should adjust the amount of promised consideration to reflect the time value of money if the contract includes a material financing component (whether explicit or implicit). Do you agree? If not, why?

Response: We believe if any arrangement of payment is within the normal practice of an entity’s business operation or consistent with the industry within which it operates, it should be not be considered a financing component. If left unchanged, the Proposed Standard would cause considerable administrative and operational difficulties when applying to multiple element arrangements, determining what is considered a “material” financing cost, determining the appropriate discount rate, and bifurcating it between revenue and income-expense. For example, the payment terms in one contract may not be considered material on a stand-alone basis, but be considered material if applied across a pool of homogeneous contracts.
Under the Proposed Standard, in the event of prepayment, revenue recognized will exceed cash received. We believe as long as the payment arrangements are consistent with industry standard, which naturally provides comparability across an industry, the benefit would not outweigh the cost, and the effect of the time value of money does not provide useful information to users of financials.

**Question 7:** Paragraph 50 proposes that an entity should allocate the transaction price to all separate performance obligation in a contract in proportion to the standalone selling price (estimated if necessary) of the good or service underlying each of those performance obligations. Do you agree? If not, when and why would that approach not be appropriate, and how should the transaction price be allocated in such cases?

Response: In general, we agree that if the profitability between the separate performance obligations is similar, allocating the transaction price to all separate performance obligations in proportion to the standalone selling price appears reasonable.

However, when the profitability of the separate performance obligations is different, consideration should be given to view the entire transaction and potentially allocate the transaction price in relation to the underlying profitability of each performance obligation.

Using a simple example, companies may bundle and sell a computer server and related software to generate a net profit. Allocating total consideration based on standalone prices may result in a loss on the server and profit on the software, even if the bundled transaction generates a net profit. We believe it may not be appropriate in all situations to allocate on standalone prices if the profitability is substantially different among the different performance obligations, and it may be more appropriate in certain circumstances to allocate transaction price based on the overall profitability of the arrangement.

In addition, consideration should be given to whether the residual method should be retained or allowed in difficult performance obligation allocation situations.

**Question 8:** Paragraph 57 proposes that if costs incurred in fulfilling a contract do not give rise to an asset eligible for recognition in accordance with other standards (for example, Topic 330 or IAS 2; Topic 360 or IAS 16; and Topic 985 on software or IAS 38, Intangible Assets), an entity should recognize an asset only if those costs meet specified criteria.

Do you think that the proposed guidance on accounting for the cost of fulfilling a contract is operational and sufficient? If not, why?

Response: No comment.

**Question 9:** Paragraph 58 proposes the costs that relate directly to a contract for the purposes of (a) recognizing an asset for resources that the entity would use to satisfy performance obligations in a contract and (b) any additional liability recognized for an onerous performance obligation.

Do you agree with the cost specified? If not, what costs would you include or exclude and why?

Response: No comment.

**Question 10:** The objective of the Boards' proposal disclosure requirements is to help users of financial statements understand the amount, timing, and uncertainty of revenue and cash flows
arising from contracts with customers. Do you think the proposed disclosure requirements will meet that objective? If not, why?

Response: The disclosure requirements under the Proposed Standards are substantially more extensive and detailed than currently required under US GAAP. More disclosure is not always better, but a focus on high quality disclosure can be better.

We believe the required use of estimates, especially for pricing and future royalties, may not necessarily lead to a better methodology for revenue recognition. Including more disclosure to help users understand the inputs used and possible variability in the estimates may help; however, a more simple solution is to reconsider limiting the requirement to perform probability weighted estimates related to variable pricing and future events. More understandable and less variable revenue recognized could require less disclosure.

Question 11- The Boards propose that an entity should disclose the amount of its remaining performance obligation and the expected timing of their satisfaction for contracts with an original duration expected to exceed one year.

Do you agree with that proposed disclosure requirement? If not, what, if any information do you think an entity should disclose about its remaining performance obligations?

Response: No comment.

Question 12- Do you agree that an entity should disaggregate revenue into the categories that best depict how the amount, timing, and uncertainty of revenue and cash flows are affected by economic factors? If not, why?

Response: We agree with the proposal to disaggregate revenue as stated in paragraph 74 of the Proposed Standard. We believe the disclosure on the disaggregation of revenue will provide users of financial statements useful information about the revenue performance of the entity.

In accordance with segment reporting and other requirements, we currently disclose in our financial statements and in MD&A geographical revenue, revenue by our two main customer types and by royalty and license revenue. In an effort to avoid duplication, the Board and the SEC should work to ensure prior to the effective date, all the different requirements for revenue disclosures are conformed.

Question 13- Do you agree that an entity should apply the proposed guidance retrospectively (that is, as if the entity had always applied the proposed guidance to all contracts in existence during any reporting periods presented)? If not, why?

Is there an alternative transition method that would preserve trend information about revenue but at a lower cost? If so, please explain the alternative and why you think it is better.

Response: Conceptually, we agree with the Boards’ proposal that an entity should apply the new guidance retrospectively, since it is the ideal method to ensure comparability of the current period and prior periods. However, in practice, many entities may not currently have the systems and processes in place to capture the required information. It will impose excessive burden on preparers and will require substantial time to implement the required system changes. So, to help ensure a smooth transition, we recommend the Board consider a long lead time from the issuance of the new standard to the effective date. We would also recommend the Board to consider a modified
retrospective approach. We do not believe that the benefit associated with requiring estimates to be
determined and updated at each reporting period, ignoring the use of hindsight, outweighs the
incremental cost of making those hindsight-free estimates. This and other possible exceptions to a
full retrospective adoption would ease the burdens of adoption.

**Question 14**- The proposed implementation guidance is intended to assist an entity in applying the
principles in the proposed guidance. Do you think that the implementation guidance is sufficient to
make the proposal operational? If not, what additional guidance do you suggest?

Response: We appreciate the Boards’ effort to develop implementation guidance to facilitate
preparer’s understanding and applying the principles. The more guidance provided initially, the
more companies will be able to implement the standard as intended and avoid additional future
guidance by the Board.

**Question 15**- The Boards propose that an entity should distinguish between the following types of
product warranties:

a) A warranty that provides a customer with coverage for latent defects in the product. This
does not give rise to a performance obligation but requires an evaluation of whether the
entity has satisfied its performance obligation to transfer the product specified in the
contract.

b) A warranty that provides a customer with coverage for faults that arise after the product is
transferred to the customer. This gives rise to a performance obligation in addition to the
performance obligation to transfer the product specified in the contract.

Do you agree with the proposed distinction between the types of product warranties? Do you agree
with the proposed accounting for each type of product warranty? If not, how do you think an entity
should account the product warranties and why?

Response: Please refer to our comment on Product Warranties in the body of our comment letter.

**Question 16**- The Boards propose the following if a license is not considered to be a sale of
intellectual property:

a) If an entity grants a customer an exclusive license to use its intellectual property, it has a
performance obligation to permit the use of its intellectual property and it satisfies that
obligation over the term of the license; and

b) If an entity grants a customer a nonexclusive license to use its intellectual property, it has a
performance obligation to transfer the license and it satisfies that obligation when the
customer is able to use and benefit from the license.

Do you agree that the pattern of revenue recognition should depend on whether the license is
exclusive? Do you agree with the patterns of revenue recognition proposed by the Boards? Why or
why not?

Response: Please refer to our comment on Licensing and Rights to Use in the body of our comment
letter.

**Question 17**- The Boards proposes that in accounting for the gain or loss on the sale of some
nonfinancial assets (for example, intangible assets and property, plant, and equipment), an entity
should apply the recognition and measurement principles of the proposed revenue model. Do you agree? If not, why?

Response: We agree with the Boards’ proposal that an entity should apply the recognition and measurement principles of the proposed revenue model to account for the gain or loss on the sale of some nonfinancial assets.

Question 18- Should any of the proposed guidance be different for nonpublic entities (private companies and non-for-profit organizations)? If so, which requirement(s) and why?

Response: Public and nonpublic entities should be subject to the same accounting and disclosure requirements. Overall, we strongly advocate a position that accounting standards and disclosures should be consistent for all companies and believe the focus should not be on simpler guidance and disclosure for nonpublic companies, but simpler and consistent accounting guidance and disclosures for all companies.