June 27, 2016

Technical Director
File Reference No. EITF-16A
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Technical Director:

Delta Air Lines, Inc., ("we") is a global provider of scheduled air transportation with annual revenues exceeding $40 billion. We appreciate the opportunity to respond to the FASB Exposure Draft regarding the proposed Accounting Standards Update (ASU), Statement of Cash Flows (Topic 320): Restricted Cash. We believe the Board’s initiative will reduce the distinction of restricted cash if the proposed ASU were to be codified.

Question 1: Do you agree that the statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents? If not, please explain what presentation is more appropriate and why.

Response:

No, we do not agree that the statement of cash flows should include an explanation of the change in restricted cash and restricted cash equivalents. We believe that cash and cash equivalents should remain separate from restricted cash and restricted cash equivalents as prescribed in ASC 305-10, which states, "When restricted cash is presented separately in the balance sheet, it should not be included in cash and cash equivalents in the statement of cash flows." Including restricted cash as part of the total amount of cash available diminishes the classification of restricted cash, which may be confusing to the user. Furthermore, ASC 305-10 states, "In SEC filings…terms of the restrictions must be described in a note to the statement." We believe further requirements to explain the nature of restricted cash would be redundant.
**Question 2:** Do you agree that if the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position, an entity should disclose on the face of the statement of cash flows or in the notes to the financial statements, the amounts and line items in which such amounts are reported within the statement of financial position? If not, please explain why that information would not be useful.

*Response:*

We do not believe restricted cash should be included in the statement of cash flows. However, if it is included, we agree that a reconciliation should be provided on the face of the statement of cash flows. Financial statement users are accustomed to reconciling the statement of cash flows to the statement of financial position and omitting such a reconciliation, or including it in the notes to the financial statements, would not improve the usefulness of the financial statements.

**Question 3:** Do you agree that an entity should be required to disclose information about the nature of restrictions on its cash and cash equivalents? If not, please explain why that information would not be useful.

*Response:*

Yes, we agree that an entity should be required to disclose information about the nature of restrictions on its cash and cash equivalents. However, we do not believe there should be a divergence from current SEC requirements requiring such disclosure:

Regulation S-X Rule 5-02.1 states, “Separate disclosure shall be made of the cash and cash items which are restricted as to withdrawal or usage. The provisions of any restrictions shall be described in a note to the financial statements.”

**Question 4:** Would disclosures of the amounts of gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents (excluding transfers, constructive or actual, that result in a concurrent cash receipt from or a concurrent cash payment to an outside source) provide meaningful information to financial statement users? Please explain why.

*Response:*

No, disclosures of gross transfers between cash, cash equivalents and amounts generally described as restricted cash would not be meaningful to financial statement users. However, we do believe that net transfers would provide more meaningful information. The presentation of gross transfers would over-emphasize restricted cash movements and serve as a distraction to financial statement users. This over-emphasis would be minimized through a net transfer disclosure, while still providing financial statement users with additional information.
Question 5: Should any other disclosures be provided? If so, please explain what disclosures should be provided and why that information would be useful.

Response:

No, no other disclosures should be required. As referenced in Question 3 above, we believe the disclosure requirements prescribed by Regulation S-X Rule 5-02.1 are sufficient.

Sincerely,

Craig M. Meynard
Vice President and Chief Accounting Officer

Jarrod J. Dominick
Director – Technical Accounting and External Reporting