July 7, 2016

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

File Reference No. EITF-16A – Proposed Accounting Standards Update: Restricted Cash

Dear Ms. Cosper:

Emerson appreciates the opportunity to comment on the Proposed Accounting Standards Update: Restricted Cash. While we support the Board’s efforts to improve financial statement presentation and disclosure effectiveness, we do not support modifying the statement of cash flows. Increases and decreases in restricted cash (e.g., classified as a long-term asset) and corresponding changes in other operating, investing and financing activities (or in unrestricted cash) are meaningful to investors and should continue to be presented in the statement of cash flows. We believe the statement of cash flows should reconcile directly to cash and equivalents as presented on the balance sheet, as commingling restricted cash balances with cash and equivalents will add complexity and confusion.

We recommend the Board consider transparent disclosure of restricted cash rather than requiring significant modifications to the statement of cash flows. For companies with material restricted cash, disclosure of the balance (and the balance sheet line item where presented) and nature of restrictions, similar to the SEC requirements in S-X 5-02(1), would accomplish the Board’s objectives and be readily understood by investors.

We appreciate the opportunity to respond to this proposal and trust that our comments will be seriously considered in future Board deliberations.

Sincerely,

Richard J. Schlueeter
Vice President, Controller and
Chief Accounting Officer

cc: Frank J. Dellaquila
Executive Vice President and Chief Financial Officer