June 30, 2015

Russell G. Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Submitted via electronic mail to director@fasb.org

Re: File Reference: No. 2015-250, Exposure Draft: Revenue from Contracts with Customers (Topic 606) – Identifying Performance Obligations and Licensing

Dear Sir:

General Motors Company (“GM”) designs, builds and sells cars, trucks and service parts and, with its partners, produces vehicles in 30 countries. GM has leadership positions in the world’s largest and fastest-growing automotive markets. More information on GM and its subsidiaries can be found at http://www.gm.com.

GM has closely followed the Board’s project on revenue recognition and strongly supports Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, issued in May 2014 (“the new standard”). We appreciate the opportunity to comment on the Proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606) – Identifying Performance Obligations and Licensing (the “Proposed ASU”) that reflects decisions made by the Boards pertaining to amendments to the new standard.

Overall, on behalf of GM, we support the Proposed ASU and believe all of the amendments to Topic 606 outlined therein improve registrants’ ability to operationalize the new standard. We have a few specific comments on identifying performance obligations, specifically related to Questions 2 through 4 of the Proposed ASU, and have attached our detailed comments in Exhibit A to this letter.

We appreciate consideration of our comments on identifying performance obligations. Should you have any questions or need to discuss this letter, please contact me at (313) 667-3434.

Sincerely,

/s/ THOMAS S. TIMKO

Thomas S. Timko
Vice President, Controller, and Chief Accounting Officer
General Motors Company
Answers to Questions for Respondents

**Question 2:** Paragraph 606-10-25-16A specifies that an entity is not required to identify goods or services promised to a customer that are immaterial in the context of the contract. Would the proposed amendment reduce the cost and complexity of applying Topic 606? If not, please explain why.

We support the proposed amendment to allow entities to disregard goods or services that are immaterial in the context of the contract and believe it has the potential to reduce the cost and complexity of applying Topic 606. That said, we believe the guidance should be enhanced to provide additional clarification and examples as to how this alternative materiality assessment should be employed so that it can be consistently applied.

**Question 3:** Paragraph 606-10-25-18A permits an election to account for shipping and handling as an activity to fulfill a promise to transfer a good if the shipping and handling activities are performed after a customer has obtained control of the good. Would the proposed amendment reduce the cost and complexity of applying Topic 606? If not, please explain why.

We support the proposed amendment and believe it not only reduces the cost and complexity of applying Topic 606 for the automotive industry, but also produces a reasonable result in accounting for shipping and handling activities.

**Question 4:** Would the revisions to paragraph 606-10-25-21 and the related examples improve the operability of Topic 606 by better articulating the separately identifiable principle and better linking the factors to that principle? If not, what alternatives do you suggest and why?

We support the proposed amendment and related examples; however, we recommend that the Board find a way to clarify the factors or otherwise reference the contrast between Example 10 and Example 11 noted by the Board in paragraph 606-10-55-143.