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Technical Director  
File Reference No. 1820-100  
Financial Accounting Standards Board  
401 Merritt 7  
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**Re: Comments on the FASB and IASB's Exposure Draft on Revenue Recognition from Contracts with Customers**

MYR Group Inc. is a publicly traded holding company of specialty electrical construction service providers and is currently one of the largest contractors serving the transmission and distribution sector of the U.S. Our clients include more than 125 electric utilities, cooperatives and municipalities nationwide. MYR Group also provides commercial and industrial electrical contracting services to facility owners and general contractors. These services include complete engineering, procurement and construction (EPC), upgrades, maintenance and repair services. MYR Group is currently comprised of six subsidiaries located throughout the U.S, providing support to these subsidiaries in the areas of safety, fleet management, procurement, management development, skills training, marketing, finance and administration.

As a large specialty electrical construction company with revenues exceeding \$600 million in 2009, we are extremely interested in the Boards project on revenue recognition and it is our desire to ensure that high-quality accounting for the construction industry is maintained.

We have significant concerns over how the new standard would be applied to our company. Over the years, our entire industry has relied on SOP 81-1 to assist in the revenue recognition process and, generally, the accepted standard has been a percentage of completion method. The current guidelines in the Exposure Draft for recognizing revenue at the "performance obligation" level would present significant challenges for

MYR, and we believe likely for other companies in the construction industry. We see increased subjectivity in the prescribed process for identifying and allocating revenue to performance obligations, leading to less consistency and transparency in financial reporting. This carries real risk of adverse economic effects on our industry from how investors, surety companies, and other stakeholders evaluate and measure construction companies and how they will interpret each company's results. The new proposed process would result in financial reporting that is less consistent with a higher level of subjectivity. This has been strongly noted in numerous comment letters from the surety community, accounting firms, construction companies and others, and we firmly hold a similar belief.

We manage our business at the contract level. Sureties provide credit to us on a contract-by-contract basis. Accordingly, we believe it is inappropriate to measure revenues on any basis other than at the contract level.

Contractors our size have hundreds, and often thousands, of contracts at any given time. If we were to subdivide those contracts further into multiple profit centers or performance obligations under the proposed accounting standard, the number of contracts to manage would grow exponentially. This would add a tremendous amount of resources, subjectivity and interpretation into the process on how and when to subdivide. When we bid and manage our projects, we do so at the contract level, and thus view any individual contract risk as inseparable; all the parts of a project are highly interrelated within each contract. Attempting to subdivide contracts into various performance obligations ignores the overriding risk which we bear to ensure that all the pieces of the project fit together in a working manner.

Furthermore, to comply with this new standard, as several CPA firms have also noted, would impose a tremendous burden for our management and financial reporting procedures. As a public company, the task of implementing the new revenue recognition process would drastically increase administrative, internal and external auditing and computer software resources. The quarterly and annual closing process effort would become significantly expanded in an already tight SEC financial reporting time line.

We believe the reason that the Boards are hearing negative feedback on the Exposure Draft has to do with the fact that the proposed revenue recognition rules are not correlated with the economic reality of the construction industry. But we also believe that it is possible, with relatively modest refinements to the guidance under the proposed standard, that revenue recognition could be aligned with the economic reality.

Specifically, we request that the Boards recognize that in most cases, all construction activities for a given project are highly interrelated and have overall risks which are inseparable. Therefore, construction companies like ourselves lack a basis for determining the price at which it would sell the components of a contract separately. Characteristics of distinct profit margin will not be met (in most cases) and hence there is typically no more than a single performance obligation for most construction contracts.

We concur with the guidance in the Exposure Draft regarding continuous transfer and we believe it is appropriately reasoned.

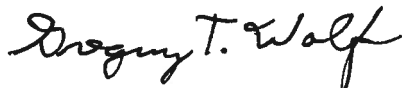
With respect to determining the contract price, we believe that variable consideration (i.e. bonuses or penalties) should be excluded from the calculation of contract revenue until such time as their realization is reasonably assured. Until that time, the inclusion is highly subjective and as a matter of course, we believe that users of financial statements will not want to see such amounts included in revenue until their realization is reasonably assured.

The Boards should consider what the construction industry has achieved with its revenue recognition model: an approach with an almost universal acceptance and application. SOP 81-1 works well for external financial reporting purposes and has been adopted by the IRS as the most favorable method for determining taxable income. We believe unnecessarily complicating the key tenets of SOP 81-1 and introducing additional judgment would only be a step backward for the construction industry.

While we appreciate the Boards efforts to create a single standard to apply to virtually all industries and transactions, we maintain a belief that the key principals of the proposed standard need to be interpreted in such a way to preserve the key tenets of SOP 81-1. Otherwise, the Boards run the very real risk of creating sub standard accounting rules when applied to the construction industry.

We appreciate the opportunity to express our comments and concerns.

Sincerely,



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Vice President of Finance and Accounting  
MYR Group Inc.